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THE LAW

RELATING TO

FRIENDLY SOCIETIES

AND

INDUSTRIAL AND PROVIDENT SOCIETIES.

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THE LAW

RELATING TO

FRIENDLY SOCIETIES

AND

INDUSTRIAL AND PROVIDENT SOCIETIES.

BY

FRANK BADEN FULLER,

OF THE INNER TEMPLE, BARRISTER-AT-LAW.

FOURTH EDITION.

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PREFACE

TO THE FOURTH EDITION.

SINCE the last edition of this work, friendly societies have been principally affected by the legislature in two directions. In 1911 the system of state insurance was established by the National Insurance Act, 1911, which, with many amending Acts and the voluminous regulations to facilitate its working, have recently been consolidated by the National Health Insurance Act, 1924, and the regulations issued thereunder. The working of the system is entrusted in part to "approved" societies under that Act which comprise friendly societies and kindred bodies, but state insurance forms a subject by itself and is not dealt with in this work. The other legislative change is the alteration in the basis of the law relating to industrial assurance, hitherto regulated by the Collecting Societies and Industrial Assurances Companies Act, 1896, which has been repealed and replaced by the Industrial Assurance Act, 1923. This Act and the changes thereby effected are dealt with in the Text, together with various other Acts effecting amendments in the law.

Except the Industrial and Provident Societies Act, 1913, which made amendments in the

principal Act, there has been little legislation affecting societies of this class, though recently the Housing Acts and similar Acts have contained provisions for assisting financially public utility and similar societies.

During the past fifteen years there have been many decisions affecting the law treated in this work, and the number of cases cited in this edition is over 170 more than in the last edition, and include those reported down to the end of 1925. I venture to hope that this book will prove useful to those concerned with or interested in friendly societies.

I desire to thank the learned Chief Registrar of Friendly Societies, Mr. G. Stuart Robertson, K.C., for his kind and valuable assistance, the Assistant Registrar, Mr. Digby L. F. Koe, for his kind help and suggestions, and Mr. R. R. A. Walker, of the Chancery Bar, for his assistance especially in preparing the Index and revising the Table of Cases. I also thank my Clerk, Mr. George Daniel, for general assistance in passing the book through the press.

F. BADEN FULLER.

11, Stone Buildings,
Lincoln's Inn, W.C.
January, 1926.

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ABBREVIATIONS.

A. C. A.	The Assurance Companies Act, 1909.
C. C. R.	County Court Rules.
C. S. A. 1896.	The Collecting Societies and Industrial Assurance Companies Act, 1896.
Com. (Cons.) A. 1908	The Companies (Consolidation) Act, 1908.
F. S. A. 1875.	The Friendly Societies Act, 1875.
F. S. A. 1895.	The Friendly Societies Act, 1895.
F. S. A.	The Friendly Societies Act, 1896.
F. S. A. 1908.	The Friendly Societies Act, 1908.
F. S. A. 1924.	The Friendly Societies Act, 1924.
F. S. Cas.	Reports of Law Cases affecting Friendly Societies, compiled by J. Diprose and J. Gammon, London: 1897.
I. A. A.	The Industrial Assurance Act, 1923.
N. H. I. A. ...	The National Health Insurance Act, 1924.
P. S. A.	The Industrial and Provident Societies Act, 1893.
P. S. A. 1913.	The Industrial and Provident Societies (Amendment) Act, 1913.
P. S. R.	Treasury Regulations (Industrial and Provident Societies).
R. C. R.	Report of the Chief Registrar of Friendly Societies (Annual).
R. I. A. C. ...	Report of the Industrial Assurance Commissioner (Annual).
R. S. C.	Rules of the Supreme Court.
S. R. & O. ...	Statutory Rules and Orders.
T. R.	Treasury Regulations (Friendly Societies).

FRIENDLY SOCIETIES.

INTRODUCTION.

I.—History of Legislation.

Voluntary associations for the purpose of mutual relief and the maintenance of their members in sickness, old age and infirmity, and for kindred purposes, have existed in various forms in this country for many centuries.

The first step taken by the legislature towards the protection and encouragement of such associations was an Act passed in 1793 (33 Geo. 3, c. 54), which allowed any number of persons to form a society of good fellowship for the purpose of raising among themselves a fund for their mutual benefit, and of making rules and imposing fines, &c. Some of the chief privileges then conferred on societies which brought themselves within the Act by having their rules confirmed by justices and enrolled with the clerk of the peace, have been continued in principle and with but slight modification through subsequent legislation to the present day; the chief of such privileges were a cheap and speedy remedy against defaulting officers of the society, exemption from certain stamp duties, priority of the society against the estates of deceased or bankrupt officers, the vesting of the property of the society in the trustees without transfer with a provision against the abatement of actions, protection of the funds against misappropriation and illegal distribution, the reception of the rules in evidence, and a provision for the settlement of disputes

33 Geo. 3, c. 54.

by arbitration or by justices. This Act was extended by 35 Geo. 3, c. 111, to certain other benevolent and charitable institutions, and amended by 49 Geo. 3, c. 125; but, although its result was the formation of a large number of societies, the want of scientific principle in their foundation was not long in producing a feeling of distrust as to their stability. Accordingly, the Act of 1819 (59 Geo. 3, c. 128) was passed for the purpose of affording further facilities and additional security to persons willing to unite in making provision for themselves and their families, and for casualties affecting them. The justices were directed, before confirming the rules and tables of societies, to ascertain whether the society would be useful and beneficial, and that the rules and tables so submitted to them were fit and proper and framed correctly so as to provide for the contingencies to be insured against.

. 4, It was found in practice that the lax manner in which this last Act was carried out did not promote the soundness of societies, whilst, owing to the restrictions placed on the registration of societies, the number of unregistered societies increased. By the Act of 1829 (10 Geo. 4, c. 56), therefore, which consolidated the previous law, it was enacted that a barrister should be appointed to examine the rules of societies and certify they were in conformity with the provisions of the Act, whilst the justices were to satisfy themselves that the tables of contributions might be adopted with safety to all parties. This last provision proved unworkable, and was amended by the Act of 1834 (4 & 5 Will. 4, c. 40), which allowed societies to be freely formed upon condition only that the barrister certified that their rules were in conformity with law; a slight amendment was made by the Act of 3 & 4 Vict. c. 73, and in 1846, by an amending Act (9 & 10 Vict. c. 27), the barrister certifying the rules was to be styled the Registrar of Friendly Societies, and the rules of all present and future societies were to be transferred to and kept by him.

In 1850 the law was again consolidated and amended by the 13 & 14 Vict. c. 115, which provided for two classes of societies—those whose rules and tables had been certified by an actuary of a given qualification being denominated "certified," all others being called "registered." Amendments and additions were made to this Act by 15 & 16 Vict. c. 31; 16 & 17 Vict. c. 123; and 17 & 18 Vict. c. 56. 13 & 14 Vict. c. 115.

In 1855, however, the 18 & 19 Vict. c. 63 repealed and consolidated the former statutes and made further changes in the law; the distinction between certified and registered societies was abolished and certain other classes of societies were allowed some of the benefits conferred by the Act, if their rules were certified by the registrar as being in conformity with the law; the Act provided for transfer of the engagements of a society, a limited holding of land, and the distribution of moneys due to a member who had died intestate. Further amendments were made and privileges granted by the Acts 21 & 22 Vict. c. 101; 23 & 24 Vict. c. 58; and 29 Vict. c. 34. 18 & 19 Vict. c. 63.

A Royal Commission, which sat from 1870 to 1874, conducted an exhaustive enquiry into the nature and condition of all classes of societies, and the outcome of their labours was the Act of 1875 (38 & 39 Vict. c. 60), which again repealed all previous Acts and consolidated the law and introduced further provisions relating to friendly societies. Amending Acts were passed in 1879, 1882 and 1885 (42 Vict. c. 9; 45 & 46 Vict. c. 35; and 48 & 49 Vict. c. 27), but these Acts were repealed and the amendments included in the Act of 1887 (50 & 51 Vict. c. 56). The Act of 1888 (51 & 52 Vict. c. 66), which was never acted on, was the following year repealed and replaced by 52 & 53 Vict. c. 22, whilst further amendments were made in 1893 by 56 & 57 Vict. c. 30, and in 1895 by 58 & 59 Vict. c. 26. 38 & 39 Vict. c. 60.

The Acts of 1887 and 1895 authorised the Queen's printer to print copies of the Act of 1875 with the 59 & 60 Vict. cc. 25, 26.

additions, omissions, and substitutions required by these two Acts. This was only a temporary measure of consolidation, and in 1896 the whole of the enactments were consolidated into two—the Friendly Societies Act, 1896 (59 & 60 Vict. c. 25), and the Collecting Societies and Industrial Assurance Companies Act, 1896 (59 & 60 Vict. c. 26)—which reproduced the existing enactments with such alterations only as were required for uniformity of expression and adaptation to existing law and practice, and did not embody any substantial change of the law. In making this consolidation the legislation was divided into two parts, so that the F.S.A., 1896, should contain only those provisions which related to friendly societies proper; whilst those which affected only collecting societies and industrial assurance companies were embodied in the other measure. The Acts came into operation on the 1st of January, 1897, and Treasury Regulations have been issued to facilitate the working of the Acts.

7. The Friendly Societies Act, 1908 (8 Edw. 7, c. 32), effected several amendments and provided that such amendments should be incorporated in all future copies of the Act of 1896.

In 1919 a committee was appointed by the Board of Trade to enquire into the business carried on by industrial assurance companies and collecting societies, and the report was published in February, 1920. Consequent on such report was the passing of the Industrial Assurance Act, 1923 (13 & 14 Geo. 5, c. 8), which repealed the Collecting Societies and Industrial Assurance Companies Act, 1896, conferred on the chief registrar the title of Industrial Assurance Commissioner, together with fresh and extensive powers in connection with industrial insurance business carried on by collecting societies and industrial assurance companies. The provisions of that Act are dealt with elsewhere. A minor defect in that Act was subsequently amended by the Friendly Societies

Act, 1924 (14 & 15 Geo. 5, c. 11), which also effected a slight amendment of the Act of 1896.

There are other Acts passed since 1896 which have more or less affected friendly societies, and these Acts are more particularly referred to below.

II.—Summary of the Acts.

General arrangeme

The F.S.A., 1896, is arranged so as to collect together: (1) the provisions dealing with the constitution and powers of the registry office (ss. 1—7); (2) the provisions affecting the life of societies from their registry to their extinction (ss. 8—83); (3) the general subsidiary provisions (ss. 84—109), whilst the provisions which affect only industrial assurance business carried on by collecting societies and industrial assurance companies are contained in the I.A.A., 1923.

The regist office.

The registry office is continued under the direction of a chief registrar, together with assistant registrars for England and Scotland, the chief registrar and the assistant registrars for England constituting the central office; the tenure of office and qualifications of the registrars are stated, and the functions, duties, and powers of the central office and the different registrars are enumerated and defined, and provision is made for the payment of salaries and expenses (ss. 1—7).

Classes of societies.

Societies which are capable of registration under the Act are divided into five classes—viz., friendly societies, cattle insurance societies, benevolent societies, working men's clubs, and specially authorised societies (s. 8); the first-named kind may be formed for any one or more of the various purposes enumerated in s. 8 (1), and may be constituted in various ways—viz., either as single societies, societies with branches, dividing societies, deposit societies, or collecting societies.

istration. A society to obtain registration under the Act must adopt the procedure prescribed for registration (s. 9), though societies which have been duly formed under previous Acts are, without further action on their part, deemed registered under the present Act (s. 101), with the exception that their existing rules are valid only to the extent that they are not contrary to the provisions of this Act. A society thus constituted becomes *quasi* corporate —or perhaps more accurately, acquires a legal constitution—under its registered rules, and alterations of the rules when duly made have to be registered in the prescribed manner before they can become valid (s. 13). The similar provisions as to registration of branches and the rules thereof are contained in ss. 17—22.

ies and gations. Consequent on registry a society has imposed on it certain duties, viz., of having a registered office (s. 24) and of appointing trustees (s. 25), of auditing its accounts annually and valuing its assets quinquennially—for which purpose the appointment of public auditors and valuers is provided for—and of sending to the registrar its annual returns and quinquennial valuations in the prescribed manner and form (ss. 26—30): it must supply copies of its rules to any one who demands them, and allow its books to be inspected by and supply copies of its annual returns to persons interested in its funds (ss. 38—40), and must pay money on a member's death only on production of a certificate of death except in certain cases; whilst if the society assures payments on the death of children under ten years of age, it is subject to the stringent provisions of ss. 62—66. The contributions to a society are voluntary and irrecoverable at law (s. 23), except in the case of cattle insurance societies and certain specially authorised societies (s. 31).

vileges. A society when registered has all the privileges conferred by the Acts, the chief of which are—exemption from the Corresponding Societies Acts (s. 32) and certain stamp duties (s. 33), power to obtain transfers of stock

by the chief registrar when the trustees are absent, &c. (s. 34), a priority on the death and bankruptcy of officers over other creditors (s. 35), power for minor members to act by themselves or guardians (s. 36), the making of loans to members (ss. 45, 46), the vesting of the society's property in the trustees from time to time (ss. 47—50), a power of investment in savings banks and with the National Debt Commissioners (ss. 44, 52), the power to discharge mortgages to the society by an endorsed receipt (s. 53), and the obtaining of certificates of death at reduced rates (s. 61). The officers of the society are to give security, and by summary proceedings may be compelled to account for and deliver up property in their hands (ss. 54, 55), and summary proceedings may be taken against any one withholding or misappropriating the society's property (s. 87).

Rights of members.

In addition to the rights corresponding to the duties owed them by the society which members possess, surplus contributions may be accumulated for their use (s. 42); the benefits which may be provided by a society are limited in amount (s. 41), but in certain events, in the case of militiamen and volunteers, they are incapable of forfeiture (s. 43), and may be distributed on a member's death either as he nominates or by the trustees of the society (ss. 56—60).

Disputes.

So far as disputes in the domestic forum of the society are concerned, the Act provides for a settlement expeditious in its nature and final in its results (s. 68), thus protecting the funds of the society from being wasted in litigation.

Special resolution.

By the proceeding of a special resolution the society has power to change its name, convert itself into a company, or amalgamate with or transfer its engagements to another society, whilst certain other special provisions, having reference to the effect of previous legislation, enable branches, which under the Act of 1855 had to be registered as separate societies, to obtain registry as

branches by a simple method, and provide for the amalgamation of juvenile with adult societies, the former having by virtue of the F.S.A., 1895, ceased to be recognized as a separate class (ss. 69—75).

Extraordinary powers of registrar.

A certain proportion of the members have power (s. 76) to invoke the assistance of the registrars to conduct an inspection into the affairs of the society, or to call a special meeting to further the business of the society, where the circumstances of the case require it.

Termination of society.

The existence of a society may be terminated either voluntarily or compulsorily. In the former case it may dissolve itself by instrument made in due manner and form, and its property may be divided thereby or by the award of the chief registrar, or its registry may be cancelled on request for the purpose of its continuing its existence as a branch or in some other form, *e.g.*, as a company. On the other hand, the registrar has power to dissolve a society compulsorily, after an investigation into its affairs with a view to its dissolution; the chief registrar has also power to suspend for a period and to cancel compulsorily the registry of a society for illegality or for violation of the provisions of the Act (ss. 77—83).

Offences and legal proceedings.

The enumeration of the offences under the Act, the penalties and the manner of recovering them, the powers of the courts of summary jurisdiction, and the procedure on appeals and generally, are contained in ss. 84—94.

Fees, &c.

Provision is made for the fees chargeable for matters transacted by the registrars, and the Treasury is empowered to make regulations for carrying out the Act (ss. 95—99), and copies of registered documents sealed by the central office are made evidence (s. 100).

Local provisions.

Slight alterations are necessary to adapt the Act to Scotland, the Isle of Man, and the Channel Islands, which are contained in ss. 102—105.

Collecting societies.

The special provisions which affect only collecting societies are contained in the I.A.A., 1923, these societies

also enjoying the privileges and being subject to the duties conferred and imposed by the F.S.A., 1896.

III.—The principal Enactments affecting Friendly Societies since 1896.

The Societies Borrowing Powers Act, 1898, enables certain specially authorised societies to borrow from persons other than members. 61 & 62 Vict c. 15.

The Shop Clubs Act, 1902, was passed to authorise the registration of societies the membership in which was compulsory as a condition of employment. This Act appears to be almost a dead letter. 2 Edw. 7, c. 21.

The F.S.A., 1908, made many important amendments in the Act of 1896, viz., guarantee of a limited kind was included among the objects of a friendly society (s. 1), minors of any age might be admitted as members (s. 2), the limit of the benefits to which a member might be entitled was raised (s. 3), the power of investment was widened to include trustee investments (s. 4), disputes with members whom the society has purported to expel concerning the validity of such expulsion were made determinable according to the rules (s. 6), the power of the registrars to award costs incidental to an inspection is enlarged (s. 7), the proceedings in a dissolution by award were accelerated (s. 8), property of a society withheld or misapplied is made recoverable summarily although the offender cannot be convicted (s. 9), costs in certain cases are recoverable summarily (s. 10), the service of legal process is facilitated (s. 11). 8 Edw. 7, c. 32.

The Licensing (Consolidation) Act, 1910 (ss. 91—98, 110, 113), affects some clubs registered under the F.S.A., and for such involves another registration. 10 Edw. 7 & 1 Geo. 5, c. 24.

The War Loan (Supplemental Provisions) Act, 1915 (5 & 6 Geo. 5, c. 93), empowers the Public Trustee to

hold the funds of a registered friendly society and invest them as provided by rules made under that Act.

Two temporary measures, the F.S.A., 1916, and the Societies (Suspension of Meetings) Act, 1917, made provision for certain emergencies arising during the late war, but have now ceased to have effect.

The I.A.A., 1923, which repealed the C.S.A., 1896, and s. 36 of the Assurance Companies Act, 1909, and consolidated and extended the law relating to industrial assurance, is dealt with in the text.

The F.S.A., 1924, amended the last-mentioned Act and the provisions relating to child insurance in the F.S.A., 1896.

THE FRIENDLY SOCIETIES ACT, 1896 (*a*).

59 & 60 Vict. c. 25.

An Act to consolidate the Law relating to Friendly and other Societies. [7th August, 1896.]

[As this Act repeals and re-enacts the provisions of former Acts, references in any other Act to the provisions so repealed are to be construed as references to the provisions so re-enacted: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 38 (1).]

Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

The Registry Office.

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The registry office.

1.—(1.) There shall *continue to* be a chief registrar of friendly societies (in this Act called "the chief registrar"), and one or more assistant registrars of friendly societies for England (in this Act called "assistant registrars for England"), and the chief registrar and assistant registrars for England shall *continue to* constitute the central office of the registry of friendly societies.

(2.) There shall *continue to* be an assistant registrar of friendly societies for Scotland (in this Act called "assistant registrar for Scotland"), and an assistant registrar of friendly societies for Ireland (in this Act called "assistant registrar for Ireland").

(*a*) The Act is printed from the King's printer's copy printed with the additions, omissions and substitutions required by s. 14 (4) of the Friendly Societies Act, 1908: see p. 259. The amendments made by subsequent Acts have been inserted in the text. These alterations, &c. wherever they occur, are referred to in the notes.

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(3.) Every chief registrar and assistant registrar shall be appointed by and shall hold his office during the pleasure of the Treasury.

(4.) The chief registrar shall be a barrister of not less than twelve years' standing, and one at least of the assistant registrars for England, and the assistant registrar for Ireland, shall be a barrister or solicitor of not less than seven years' standing, and the assistant registrar for Scotland shall be an advocate, writer to the signet, or solicitor of not less than seven years' standing.

(5.) The central office may, with the approval of the Treasury, have attached to it such assistants skilled in the business of an actuary and an accountant as may be required for discharging the duties imposed on the office by this Act.

The words in italics were repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

A person who has held the office of assistant registrar for not less than five years shall be qualified to be appointed chief registrar: F. S. A., 1924, s. 1.

Official addresses.

The official address of the chief registrar is that of the central office, 17, North Audley Street, W. 1; that of the assistant registrar for Scotland, 19, Heriot Row, Edinburgh. Communications to the registrars on official business, marked "On His Majesty's Service," do not require to be stamped.

The Irish jurisdiction of the Friendly Societies Registry, with the exceptions of post office and trustee savings bank matters, has been transferred to the Ministry of Commerce in Northern Ireland, and to the Ministry of Finance in Southern Ireland.

Constitution of office.

As at present constituted, the central office consists of the chief registrar and three assistant registrars. Certain functions are by the Act reserved to the chief registrar alone, and except by delegation from him cannot be exercised by the assistant registrars: s. 3 (2).

In the exercise and performance of the powers and duties conferred and imposed on him in relation to industrial assurance, the chief registrar is styled the Industrial Assurance Commissioner: I. A. A., s. 2.

The public auditors and valuers appointed by the Treasury under s. 30 (1) form no part of the registry office.

As to the authority of the seal of the central office or the signatures of the registrars upon the admissibility of documents in evidence, see s. 100.

Functions of the central office.

2.—(1.) The central office shall *continue to* exercise the functions and powers formerly vested—

(a) as respects trade unions, in the registrar of friendly societies in England; and

(b) as respects building societies, in the registrar of building societies in England; and

(c) as respects unincorporated benefit building societies, loan societies, and societies instituted for purposes of science, literature, or the fine arts, in the barristers appointed to certify the rules of savings banks or friendly societies,

and shall be entitled to receive all fees payable to those registrars and barristers; and all enactments relating to those registrars and barristers shall, so far as respects trade unions and such societies as aforesaid, be construed as applying to the central office.

The words in italics were repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

Sects. 2 (1) and 4 (1) re-enact s. 10 (4) and (8) of the F. S.A., 1875, which vested in the central office and the assistant registrars for Scotland and Ireland the functions and powers then by law vested in various registering authorities. The registering authorities were defined as to trade unions by the Trade Union Act, 1871 (34 & 35 Vict. c. 31), s. 17; see now the Trade Union Act, 1913 (2 & 3 Geo. 5, c. 30), s. 7; as to building societies by the Building Societies Act, 1874 (37 & 38 Vict. c. 42), s. 3; as to benefit building societies by 6 & 7 Will. 4, c. 32, s. 4; as to loan societies by the Loan Societies Act, 1840 (3 & 4 Vict. c. 110), s. 4; and as to societies instituted for the purposes of science, literature, or the fine arts, by the Scientific Societies Act, 1843 (6 & 7 Vict. c. 36), s. 2.

References to registrar in other Acts.

The word "formerly" means before 1876, and has reference to the Acts mentioned above, for by virtue of the Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 38, references in any Act to the registrar as defined by the Friendly Societies Act, 1875 (38 & 39 Vict. c. 60), are to be construed as references to the registrar

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under this Act; consequently no reference is made in this section to powers conferred on the registrars as defined by the F. S. A., 1875, by Acts passed since 1875, *e.g.*, the Savings Bank (Barrister) Act, 1876 (39 & 40 Vict. c. 52), and the Industrial and Provident Societies Act, 1893 (56 & 57 Vict. c. 39).

Under the Shop Clubs Act, 1902 (2 Edw. 7, c. 21), a shop club or thrift fund of which membership is compulsory has to be certified by the registrar under that Act (see p. 249).

Under the Workmen's Compensation Act, 1906 (6 Edw. 7, c. 58), s. 3, any scheme to enable an employer to contract himself out of that Act must be certified by the Registrar of Friendly Societies, who may give such certificate for a limited period, and may renew or revoke the same and, in event of dispute, distribute the moneys held for the purposes of a scheme the certificate for which has expired or been revoked. The Workmen's Compensation Act, 1923 (13 & 14 Geo. 5, c. 42), s. 6, empowers the registrar to amend existing schemes so as to bring them into accordance with the Act, such amendments to have effect from January 1st, 1924, and by s. 17 the registrar shall not certify or renew the certificate of any scheme unless he is satisfied that adequate provision is made to secure the discharge of liabilities arising under the scheme both during the currency of the scheme and after it is revoked or expires.

Authentication of documents by central office.

Documents requiring authentication by the central office shall be authenticated by its seal, which shall bear the Royal Arms, with the words "Registry of Friendly Societies" around or above, and the words "Central Office" below. A document so authenticated shall be deemed to be a document signed by the registrar of friendly societies in England, the registrar of building societies in England, or the barrister appointed to certify the rules of savings banks or friendly societies, for the purpose of s. 2: T. R. 1.

(2.) The central office shall, with the approval of the Treasury—

(a) prepare and cause to be circulated, for the use of societies, model forms of accounts, balance sheets, and valuations; and

(b) collect from the returns under this Act and from other sources, and publish and circulate, either generally or in any particular district, or otherwise make known, such information on the sub-

ject of the statistics of life and sickness, and the application thereof to the business of friendly societies, and such particulars of their returns and valuations, and such other information useful to the members of or to persons interested in societies registered or capable of being registered under this Act, as the chief registrar may think fit; and

(c) cause to be constructed and published tables for the payment of sums of money on death, in sickness, or old age, or on any other contingency forming the subject of an assurance authorised under this Act which may appear to be calculable: Provided that the adoption of the tables by a society shall be optional.

Model forms.

Forms of balance sheets, as part of the annual return and valuation, have been prepared and are from year to year constantly sent out gratuitously by the central office; forms of accounts, however, have not been submitted for the approval of the Treasury, for the reason that the accounts of societies vary so in shape that a model is impossible: (1890), R. C. R. 13.

Collecting and publishing information.

The collecting and publishing of information on the statistics of life and sickness, and the construction and publication of tables has been carried out by the publication of a special return of the sickness and mortality experience deduced from the quinquennial returns made by registered societies for the years 1856 to 1880 inclusive, and of a report thereon by Mr. W. Sutton, the actuary to the central office: Parl. Pap. 1880, r. 365; 1896, r. 303. The publication "generally" is made through the official channels; though the Act allows, as an alternative, publication in particular districts, the chief registrar believes "general" publication to be the best, though to promote local circulation the abstracts and reports are divided by the central office: (1890), R. C. R. 13. Notice before compulsory cancelling of registry of a society in the local papers is an instance of publication of information useful to persons who might otherwise have dealings with the society: (1892), R. C. R. 8.

Functions of assistant registrars generally.

3.—(1.) The assistant registrars shall, except as in this Act provided, be subordinate to the chief registrar.

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(2.) They shall, within the parts of the United Kingdom for which they are respectively appointed, exercise all functions and powers by this Act given to the registrar, and may also by the written authority of the chief registrar, exercise such of the functions and powers by this Act given to the chief registrar as he may delegate to them.

Where the society is a collecting society, anything authorised or required to be done by, to or before an assistant registrar is to be done by, to or before the Industrial Assurance Commissioner, but he may appoint another person for the purpose: I. A. A., s. 2.

Functions of assistant registrars for Scotland and Ireland.

4.—(1.) Subject to any regulations to be made under this Act, the assistant registrars for Scotland and Ireland respectively shall *continue to* exercise the functions and powers formerly vested—

(a) as respects trade unions, in the registrars of friendly societies in Scotland and Ireland; and

(b) as respects building societies, in the registrars of building societies in Scotland and Ireland; and

(c) as respects benefit building societies and societies instituted for purposes of science, literature, or the fine arts, in Scotland, in the Lord Advocate or his deputes appointed to certify the rules of any such societies, and, in Ireland, in any barristers appointed for the like purpose;

and shall be entitled to receive all fees payable to those registrars, the Lord Advocate or his deputes, and those barristers respectively; and all provisions in any Acts of Parliament relating to those persons respectively shall be construed as applying to those assistant registrars.

The words in italics were repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

For the functions and powers here referred to, see note to s. 2 (1).

Discretionary powers of assistant registrar.

Under this Act the assistant registrar for Scotland has discretionary power, in the case of societies registered and doing business in Scotland exclusively, of approving changes of name, s. 69; of appointing inspectors and calling special meetings,

s. 76; and of cancelling or suspending registry, s. 77; he may also exercise such of the functions and powers by the Act given to the chief registrar as the chief registrar may delegate to him, s. 3. (2).

Appeals from assistant registrar.

As to appeals from the assistant registrar, see, in the case of refusal to register rules or amendments, ss. 12, 19, and in the case of suspension or cancelling of registry by him, s. 77 (6).

As to fees received by the assistant registrar, see p. 222.

(2.) Subject as aforesaid, the assistant registrars for Scotland and Ireland shall—

(a) send to the central office copies of all such documents registered or recorded by them as the chief registrar may direct; and

(b) record such documents and matters as may be sent to them for record from the central office, and such other documents and matters as are in this Act required to be recorded; and

(c) circulate and publish, or transmit to or from societies registered in Scotland or Ireland respectively, from or to the central office, such information and documents relating to the purposes of this Act as the chief registrar may, with the approval of the Treasury, direct; and

(d) report their proceedings to the chief registrar as he may direct.

(3.) An assistant registrar for Scotland or Ireland shall not refuse to record any rules or amendments of rules which have been registered by the central office.

Salaries and expenses.

5. The Treasury shall, out of money to be provided by Parliament, pay to the chief and assistant registrars such salaries or other remunerations, and such sums of money for defraying the expenses of office rent, salaries of assistants, clerks, and servants, remuneration for actuaries, accountants, and inspectors, computation of tables, publication of documents, diffusion of information, expenses of prosecutions, travelling expenses and other allowances of

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the chief or any assistant registrar, and other expenses which may be incurred for carrying out the purposes of this Act, as the Treasury may allow.

Report of the chief registrar.

6. The chief registrar shall every year make a report of his proceedings and of those of the assistant registrars, and of the principal matters transacted by him and them and of the valuations returned to or caused to be made by the registrar during the year preceding, and that report shall be laid before Parliament.

Reports of chief registrar.

The reports of the chief registrar, which are published annually, contain a large amount of information useful to members of or persons interested in friendly societies and other societies registered under the Friendly Societies Acts. They deal with all the principal matters which come under the care of the central office, relating to friendly societies, and also with building societies, industrial and provident societies, shop clubs, trade unions, certified loan societies, the post office savings bank, trustees savings banks, railway savings banks, and certain scientific and literary societies certified for exemption from rates, as well as the proceedings of the registrar under the Workmen's Compensation Act, 1906 (6 Edw. 7, c. 58), s. 3. The chief registrar in his capacity as Industrial Assurance Commissioner has to make a report of his proceedings under the I. A. A. (I. A. A. s. 44).

Deposit of documents.

7. All documents by this Act required to be sent to the registrar shall be deposited with the rules of the societies to which the documents respectively relate, and shall be registered or recorded by the registrar, with such observations thereon, if any, as the chief registrar may direct.

Matters to be registered.

This section is wider than s. 14 (6) of the F. S. A. 1875, which it reproduced, in directing the deposit of all documents required by the Act to be sent to the registrar. It extended the requirements as to registering and recording to amendments of rules, lists of officers, special resolutions, branch rules and notices: as the extension accorded with the practice of the central office, the practical result was to extend the registrar's power of making "observations" on deposited documents. The records of each

society and branch are thus rendered complete by recording the principal events in their history; the documents which have to be sent to the registrar and registered or recorded are—copies of amendments of rules, ss. 13 (1), 19; notices of changes of the registered office, s. 24 (1); copies of resolutions appointing new trustees, s. 25 (3); copies of special resolutions, s. 75; and instruments of dissolution, s. 79 (5). The annual returns and quinquennial valuations which by ss. 27 and 28 are required to be sent to the registrar are also registered. With the exception of special resolutions, the documents above referred to have also to be registered in the case of branches.

Registry of Societies.

Societies which may be registered.

8. The following societies may be registered under this Act:—

(1.) Societies (in this Act called friendly societies) for the purpose of providing by voluntary subscriptions of the members thereof, with or without the aid of donations, for—

(a) the relief or maintenance of the members, their husbands, wives, children, fathers, mothers, brothers, or sisters, nephews or nieces, or wards being orphans, during sickness or other infirmity, whether bodily or mental, in old age (which shall mean any age after fifty) or in widowhood, or for the relief or maintenance of the orphan children of members during minority; or

(b) insuring money to be paid on the birth of a member's child, or on the death of a member, or for the funeral expenses of the husband, wife, or child of a member, or of the widow of a deceased member, or, as respects persons of the Jewish persuasion, for the payment of a sum of money during the period of confined mourning; or

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(c) the relief or maintenance of the members when on travel in search of employment, or when in distressed circumstances, or in case of shipwreck, or loss or damage of or to boats or nets; or

(d) the endowment of members or nominees of members at any age; or

(e) the insurance against fire, to any amount not exceeding fifteen pounds, of the tools or implements of the trade or calling of the members; or

(f) guaranteeing the performance of their duties by officers and servants of the society or any branch thereof;

Provided that a friendly society which contracts with any person for the assurance of an annuity exceeding fifty pounds per annum, or of a gross sum exceeding two hundred pounds, shall not be registered under this Act.

Classes of societies distinct.

The five classes of societies enumerated in s. 8 are treated as distinct (see s. 11), and a society of one class cannot at the same time belong to another except that a specially authorised purpose may be combined in the rules of a society with any of the purposes mentioned in the first four sub-sections (see p. 30).

Meaning of "voluntary."

The epithet "voluntary," as applied to subscriptions in the legislation relating to friendly societies, has always been interpreted by the registry office in its ordinary sense as the antithesis of "compulsory," and not in the legal sense of that which is gratuitous or without consideration. The expression as here used has not received any judicial interpretation, but it has been held (*Re New University Club* (1887), 18 Q. B. D. 720) that the entrance fees and subscriptions paid to a members' club, being paid in consideration of the right to enjoy the benefits and privileges of the club, were not "funds voluntarily contributed" within the meaning of the Customs and Inland Revenue Act, 1885 (48 & 49 Vict. c. 51), s. 11 (6), and the expression "voluntary contributions" in the Scientific Societies Act, 1843 (6 & 7 Vict. c. 36), s. 1, has been interpreted by the House of Lords as meaning in that Act contributions which are not "not compulsory" but gratuitous, *i.e.* without money or other consideration: *Overseers of the Savoy* v. *Art Union of London*, (1896) A. C. 296.

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In this last case Lord Herschell said (p. 310), "If a hospital were established on co-operative principles, each contributor being entitled to claim medical treatment there, and the inmates being confined to contributors, I should say that it was not supported by 'voluntary contributions,' even though there was nothing to compel any person to become a contributor, and he might cease to be so at any time he pleased." If this *dictum* of Lord Herschell be correct, and this interpretation of the word "voluntary" be applied to the word in this Act, it would appear that no friendly society would be capable of being registered under this Act; it would therefore appear that the meaning hitherto given to the word in this Act is correct, and that subscriptions to a friendly society are to be voluntary in the sense that they are not compulsory, an interpretation which is emphasized by the provision of s. 23, that the subscriptions are in general not recoverable at law. In conformity with this interpretation, a society to which subscriptions are compulsory, *e.g.* a benefit society attached to a commercial establishment where subscription to the society is a condition of employment, is incapable of being registered under the Act, unless it complies with the provisions of the Shop Clubs Act, 1902 (2 Edw. 7, c. 21), s. 2 (*post*, p. 249), but by s. 32 of the N. H. I. A., 1924, any society for the purpose of carrying on business under that Act, and whether for the purpose alone or for that purpose in conjunction with any purpose mentioned in this sub-section, may be registered as a friendly society under this Act, notwithstanding that the contributions under the N. H. I. A., 1924, are not voluntary. And by s. 33, except so far as may be inconsistent with the N. H. I. A., 1924, any business transacted under that Act by an approved society shall be treated as part of the ordinary business transacted by societies of the class to which that society belongs, and any enactment applying to the society in relation to the transaction of such ordinary business shall apply accordingly in relation to the business transacted by the society under the N. H. I. A. The N. H. I. A., 1924, s. 31, makes special provision for the approval of societies which are employers' provident funds if membership thereof is not compulsory, and for the alteration of the rules thereof to enable such societies to be approved.

The Truck Act, 1831 (1 & 2 Will. 4, c. 37), s. 24, does not prevent an employer advancing to a workman any money to be by him contributed to any friendly society duly established according to law. Cf. *Hewlett* v. *Allan*, (1894) A. C. 383.

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(a) Relief during sickness, &c.

The relief of sickness is one of the most usual purposes of a friendly society, and is generally effected by the payment of money to the sick person or by providing him with medical attendance and medicine. Most societies provide for both kinds of relief, but there is a large number of societies (called medical societies) which provide only the latter, and are usually formed and maintained on the principles authorised by s. 22. The object of the benefit is not necessarily a member of the society, for a member may subscribe for the relief in sickness of any relative named in the section and of his orphan ward. The sickness, &c. insured against must be that of the object of the benefit, and the Act does not appear to authorise a friendly society to provide benefit for one person during the sickness, &c. of another, but moneys which a pauper or pauper lunatic is entitled to receive as a member of a society are applicable to recoup the guardians the expenses incurred in relieving him or for the maintenance of his wife or other relative dependent on him, unless the rules of the society provide that the benefit shall not be payable in such a case, see pp. 240, 243.

A society whose rules provided relief for members "falling sick, lame, or blind, or being otherwise disabled from work," was not bound to pay benefit to a member whose incapacity arose merely from old age without any illness: *Dunkley* v. *Harrison* (1887), 51 J. P. 788. Under a rule which provided relief for members who may be incapacitated from following their employment by reason of accident occasioned or incurred while going to a fire, a member who sustained an injury to his heart caused by running up a hill to a fire was held by the chief registrar to be entitled to relief: *Stevens* v. *Yorkshire Fire Brigade Friendly Society*, (1911) R. C. R. 19.

Insanity.

The term "sickness" will include mental as well as bodily ailments, unless the rules are so framed as to expressly exclude the former. Thus insanity was included where the rules of a society provided for relief during "any sickness or accident" except certain excluded cases, of which insanity was not one: *Burton* v. *Eyden* (1873), L. R. 8 Q. B. 295.

(b) Payments on death.

Payments on death may be either on the death of a member or on the death of his wife, children, or widow; and, in the case of a collecting society, the relatives mentioned below. In the case of a member it would seem that the insurance may be granted on any conditions and for any amount not exceeding 200*l*., except that insurances on members who are minors under ten years may not exceed the limits specified in s. 32. But the sums insured

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by a member to be paid on the death of his wife, child, or widow cannot be for more than funeral expenses, so that any insurance of this kind beyond this limit is illegal; where an insurance for funeral expenses is effected, and, as is not infrequent, the society provides and has paid for the funeral, no further sum is payable by the society.

A collecting society may insure money to be paid for the funeral expenses of a parent, grandparent, grandchild, brother, or sister of a member: Industrial Assurance Act, 1923 (13 & 14 Geo. 5, c. 8), s. 3 (p. 284).

A policy in a society, formed under 13 & 14 Vict. c. 115, s. 2 (1), which assured a sum payable to the widow of the assurer, and if there should be no such widow then to the child or children of the assurer living at his death, and if there should be no such child then to the executors, administrators, and assigns of the assured, was not void so far as related to the widow and children of the assured, because they were not named by name in the policy as required by the Life Insurance Act, 1774 (14 Geo. 3, c. 48), s. 2: *Re Atkinson* (1895), 30 L. J. (N. C.) 448. The expression "widow" in a policy is not confined to the person who was the wife of the insured at the time that a policy is taken out, any more than "children" is so limited: *Ib.* Cf. *Re Browne's Policy*, (1903) 1 Ch. 188; *Re Parker's Policies*, (1906) 1 Ch. 526.

(c) Out of employment.

The first purpose authorised by clause (c) is only relief and maintenance of a member whilst in travel in search of employment; the ordinary "out of employment" benefit can only be provided by a specially authorised society registered under special authority No. 2 (p. 28), which specially authorised purpose is sometimes combined with some of the purposes under this subsection.

A law clerk, in 1875, became a member of a society which provided for a permanent allowance to a member who should be permanently prevented from following his customary employment; he fell into ill-health, and became a collector to a brewery, and was off and on a collector or a merchant's clerk until he was finally incapacitated. It was held that his customary employment being that of a law clerk he was entitled to a permanent allowance: *Manchester Law Clerks Friendly Society* v. *Wilson* (1888), 4 T. L. R. 465.

Distress.

The distressed circumstances must be those of the member himself; provision cannot be made for benefits for a member's relatives when in distress; though, on the other hand, distress

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may be made a condition of benefits provided under another of the purposes mentioned in this sub-section, *e.g.*, for the maintenance of widows or orphan children during minority.

Shipwreck, &c.

The benefits provided by the society may be either personal relief of the member or insurance of boats or nets not exceeding the limits in the proviso to this sub-section.

(d) Endowment.

It would seem that endowment may take the form of the payment of either a lump sum or an annuity, which may be either immediate or deferred. The assuring of annuities, though not expressly mentioned among the purposes of a friendly society, must be treated as inferentially within the Act, see ss. 16 and 41; the assuring of deferred annuities would also be one form of relief in old age, which is mentioned in clause (a). The word "nominees" in this clause does not mean the persons whom a member may nominate under s. 56 to receive from the society any sum of money payable on his death, but persons for whose endowment the member contracts with the society, and it is conceived that they may be either persons expressly named in the policy or nominated in general terms but subsequently ascertainable, *e.g.*, widow and children: cf. *Re Atkinson* (*ubi supra*).

(e) Fire insurance.

Under this head it must be observed that only fire risks can be undertaken by a friendly society, and that only tools or implements of trade can be insured and only to the limit specified.

(f) Guarantee.

This purpose was added by the F. S. A. 1908, s. 1, and friendly societies can be registered with the special object provided for by this clause; the provision of the guarantee is an incident of management, and should be met out of contributions to the management fund. The effect of the amendment seems somewhat limited, for it appears only to authorise a society to provide a guarantee fund for its own officers and servants and the officers and servants of its own branches, and not those of any other society or branch. Guarantee societies can be formed under special authority No. 6 (p. 28), which appears to permit such societies to have objects somewhat more extensive than those authorised under this clause.

Conditions of membership.

The Act imposes no conditions on the admission of members, but only requires that the conditions shall be defined by the rules: Sched. I. 2 (p. 235). Where the members of a society were by its rules to be drawn exclusively from the members of a certain institution, a person who, being a member of both, was expelled from the institution was rightly struck off the list of members of the society: *Sargeant* v. *Butterworth* (1907), 23 T. L. R. 450; cf. *J. C.* v. *Society of Contributors, &c.*, (1908)

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A. C. 182. Where a rule of the W. Society provided that no person should be admitted a member of the society who was not a member of the B. Society, it was held by the chief registrar that a person who ceased to be a member of the B. Society did not thereby cease to be a member of the W. Society whose rules gave no power to expel a member for that reason: *Milner* v. *Bradford Warehousemen's Sick and Burial Society* (1909) R. C. R. 17. Cf. *Groves* v. *Cardiff Coal Trimmers' Superannuation Society* (1922), R. C. R. 12.

A friendly society which required certain qualifications for admission to membership sued a member who had resigned for sums due when he was a member and he pleaded his admission was *ultra vires*, and it was held that possible objections to his admission as a member were pleadable by the society only and he could obtain no benefit from them: *Aberdeen Master Masons' Incorporation* v. *Smith*, (1908) S. C. 669.

Minors.

Minors may be members: see ss. 36 and 56; but payments on the death of children under ten years of age are subject to special limitations and conditions: see ss. 62 to 67.

Married women.

The Act in speaking of husbands of members, contemplates the membership of married women, but does not otherwise make any special reference to them. The Married Women's Property Act, 1882 (45 & 46 Vict. c. 75), refers to the interests of a married woman in any friendly, benefit or loan society, dealing with the interest to which a married woman was entitled at the commencement of the Act (s. 6), or which should be transferred to her afterwards (s. 7), or which should be standing in the joint names of herself and others, either at the commencement of the Act (s. 8), or afterwards (s. 9). The Act further deals with fraudulent investments in the funds of any friendly, benefit or loan society made with the money of the husband (s. 10), and provides that questions between husband and wife as to such property are to be decided in a summary way (s. 17).

Honorary members.

The Act recognises the existence in a society of honorary members, whose consent is made necessary to a dissolution of the society: s. 78.

Corporations.

It would seem that a corporation could not be an ordinary member of a friendly society: cf. *Dobinson* v. *Hawks* (1848), 16 Sim. 407; but there would seem no objection, if the rules so provide, to a corporation being an honorary or contributing member, or to the persons carrying on business in partnership becoming honorary members under the name of the firm.

Limit in amount of assurances.

The proviso to this sub-section does not affect the validity of the rules of societies established before August 15th, 1850, where

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persons may become entitled to annual payments exceeding the limit: s. 101 (2).

If a scheme certified under the Workmen's Compensation Act, 1906, provides for payment of compensation by a friendly society, this proviso does not apply to such society in respect of such scheme: 6 Edw. 7, c. 58, Sched. I. (21). Except to the extent authorised by this last-mentioned Act and in connection with certified schemes, the amendment of s. 41 (see p. 93) does not appear to have enlarged the powers of a society to assure amounts beyond the limits in this proviso.

(2.) Societies (in this Act called cattle insurance societies) for the purpose of insurance to any amount against loss of neat cattle, sheep, lambs, swine, horses, and other animals by death from disease or otherwise:

Cattle insurance societies.

Only loss by death can be the object of insurance in a registered society of this class, as the word "otherwise" is to be read in contradistinction to "disease"; there is no limit to the amount of the insurance which may be effected.

The words "and other animals" probably must be construed to include only animals *ejusdem generis* with and not of a quality different from those specifically enumerated, in which case it is conceived that a society could insure not only the animals specifically enumerated, but also asses, mules or goats, if they were included in the objects of insurance by the society.

Societies of this class are exempt from valuation, s. 28 (4), and have the advantage of the privileges conferred by s. 31; but they are subject to the obligation of keeping separate accounts (Sched. I.), and generally to the provisions of the Act.

(3.) Societies (in this Act called benevolent societies) for any benevolent or charitable purpose:

Benevolent societies.

According to the interpretation put by the registry office on this definition, taken in connection with that of "friendly societies" in sub-s. (1), the essential feature of a benevolent society must be that it is substantially established for the purpose of providing benefits for persons other than the members, their wives or relatives: (1879), R. C. R. 5. The purpose must be specified, the society cannot provide for purposes of general benevolence.

A benevolent society cannot hold more than an acre of land at any one time, s. 47 (2), or be registered with a rule for dividing

its funds, s. 15; its members have no power of nomination, s. 56 (1); it is exempt from valuation, s. 28 (4); but there is no limitation put on the amount of the grants it may make, whether by way of annuity or of a gross sum, and it is exempt from the operation of the Charitable Trusts Act, 1853 (16 & 17 Vict. c. 137), by s. 62 thereof, if it is wholly maintained by voluntary contributions, but if endowed it is not so exempt with regard to such endowment.

Benevolent societies under former Acts.

Societies of this class that have been formed under repealed Acts previously to 1875 without being separately classified must take steps to be grouped under this class, or otherwise they are not entitled to the privileges which this Act confers on them, such as exemption from valuation.

(4.) Societies (in this Act called working men's clubs) for purposes of social intercourse, mutual helpfulness, mental and moral improvement, and rational recreation:

Working men's clubs.

The registrar has held that one of the purposes specified is sufficient to entitle a working men's club to registration, but the society must appear from its rules to be intended for working men.

Societies of this class are exempt from valuation, s. 28 (4), they cannot be registered with a rule for dividing their funds, s. 15, and their members have no power of nomination, s. 56 (1).

Registration under the Licensing (Consolidation) Act, 1910.

In addition to registry under this Act, a working men's club in England which occupies a house or part of a house or other premises which are habitually used for the purposes of the club and in which intoxicating liquor is supplied to members or their guests must be registered in the manner provided by the Licensing (Consolidation) Act, 1910 (10 Edw. 7 & 1 Geo. 5, c. 24): see p. 272. A court of summary jurisdiction may order a club so registered to be struck off the register. And an unregistered club (*i.e.* a club which ought to be registered under that Act and is not, or which has been struck off the register) is liable to penalties for supplying or selling intoxicating liquor on its premises. A club struck off the register under the Licensing (Consolidation) Act, 1910, would be liable to have its registry cancelled under the F. S. A. Similar provisions are applicable to working men's clubs in Scotland by the Licensing (Scotland) Act, 1903 (3 Edw. 7, c. 25), ss. 77—90, as amended by the Temperance (Scotland) Act, 1913 (3 & 4 Geo. 5, c. 33), s. 8, and the Licensing Act, 1921 (11 & 12 Geo. 5, c. 42). A registered

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club is liable annually to an excise duty of 3*d.* for every pound of the purchases during the preceding year of intoxicating liquor supplied in or to the club or on behalf of the club to the members: Finance (1909-10) Act, 1910 (10 Edw. 7, c. 8), s. 48; Finance Act, 1922 (12 & 13 Geo. 5, c. 17), s. 9.

(5.) Societies (in this Act called specially authorised societies) for any purpose which the Treasury may authorise as a purpose to which the provisions of this Act, or such of them as are specified in the authority, ought to be extended.

Provided that where any provisions of this Act are so specified, those provisions only shall be so extended.

A society authorised by the Treasury is not obliged to be registered under the Companies Act, 1862: *Peat* v. *Fowler* (1886), 55 L. J. Q. B. 271.

Special authorities granted.

The following is a list of the purposes authorised by the Treasury, which are at present in force, with the dates at which each authority was granted:—

(1.) 15th August, 1917 (in substitution for those of 16th May, 1876, and 23rd April, 1903). Creating funds by monthly or other subscriptions to be lent out to, or invested for, the members of a society, or for their benefit, pursuant to the F. S. A., 1896, but only for the purposes of agriculture, arboriculture, or horticulture.

(2.) 20th March, 1877. Assisting members out of employment.

(3.) 22nd March, 1877. Protecting and defending members of any lawful trade or calling against frivolous, vexatious, or malicious prosecutions, and in cases of robbery and other crimes, affording them legal or other assistance for the detection and prosecution of the offenders.

(4.) 23rd March, 1877 (revised 20th January, 1891, and 9th January, 1907). Promoting agriculture, arboriculture, or horticulture.

(5.) 15th January, 1883 (in substitution for that of 23rd March, 1877). Promoting thrift among the labouring classes by affording them the opportunity of depositing their savings, and receiving interest on the same.

(6.) 31st January, 1878 (revised 3rd March, 1905). Guaranteeing, pursuant to the F. S. A., the performance of their duties by officers of friendly societies or branches,

and guaranteeing the moneys or properties of friendly societies or branches against loss by robbery or embezzlement.

(7.) 3rd July, 1878. Promoting science, literature, and the fine arts.

(8.) 3rd October, 1879. Promoting a knowledge of music.

(9.) 18th December, 1883. Enabling persons of the Jewish religion to provide for the due celebration of the Passover, and for the expenses incurred at Passover time.

(10.) 10th April, 1890. Promoting education.

(11.) 4th March, 1891. Promoting the science and art of cookery.

(12.) 27th February, 1893. Providing the members with legal and other assistance when claiming compensation under the Employers' Liability Acts.

(13.) 8th May, 1893. Mutually protecting and promoting the interests of friendly societies.

(14.) 21st February, 1905. Promoting and encouraging the art of swimming, life saving and resuscitation.

(15.) 17th July, 1913 (in substitution for those of 6th April, 1878, 24th March, 1888, and 15th June, 1893). Promoting lawful sports and games.

(16.) 6th March, 1917. Enabling members to acquire 5 per cent. War Loan, 1929-47.

When granting No. 12, the Lords of the Treasury observed, " It will be for the legal advisers of the society to see that it does not offend against the law relating to maintenance and champerty." A member of a society furnished its officers with information in writing to enable them to decide whether he was entitled to bring an action at the expense of the society and with the assistance of its solicitor. In an action brought by the member and sanctioned by the society, its solicitor acting as solicitor for him, it was held the documents containing the information were not privileged from discovery by the defendant: *Jones* v. *Great Central Railway,* (1910) A. C. 4.

Applications for a special authority.

Where it is desired to register under this Act a society having objects not specified in or authorised under this section, application should be made to the Treasury, either directly or through the chief registrar, for the grant of a special authority authorising the purpose under which registration could be made. The application should be on foolscap paper, should state fully the objects of the society, and be accompanied by a copy of the proposed rules. The applicants would have to show that a society was already

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formed or in course of formation, and be prepared to state why they sought registration under this Act and not under any other.

Provisions extended to specially authorised societies.

Where a society is a specially authorised society to which only certain specified provisions of the Act are to be extended, such specification shall be inserted in the acknowledgment of registry of the society or of any complete amendment of rules. Where a society combines with any specially authorised purpose any of the purposes specified in s. 8 of the Act, such society shall not, in respect of any of its purposes, be entitled to any privilege or exemption of the Act not contained in the provisions specified in the authority, but shall be subject in respect of every purpose other than the specially authorised purpose to all the duties and obligations of the Act, whether contained in such specified provisions or not: T. R. 3. The acknowledgment of registry of a specially authorised society shall be in Form A2 (p. 506): T. R. 4. It will be observed that the provisions of the Act extended to the society are stated both by way of enumeration and exception. The Treasury has extended only certain specified provisions of the Act to societies registered under all the special authorities above enumerated other than the thirteenth; the variation of the Form A2 for the different authorities is stated in the acknowledgment of registry.

Loan societies.

Loan societies registered under special authority (No. 1) which are not societies existing for mere money-lending and making profit thereby, may have or acquire the extended power of borrowing conferred by the Societies Borrowing Powers Act, 1898 (61 & 62 Vict. c. 15): see note to s. 46. Such societies are exempt from fees on the registration of the society or of amendments of rules: see p. 222. Loan societies under this Act are not included in the expression " money lender " in the Money Lenders Act, 1900 (63 & 64 Vict. c. 51), s. 6. Special authority No. 1 now practically permits only the registration of agricultural credit societies.

Out of employment.

Under the Unemployment Insurance Act, 1920 (10 & 11 Geo. 5, c. 30), s. 17, and the Unemployment Assurance (No. 2) Act, 1924 (14 & 15 Geo. 5, c. 30), s. 7, the Minister of Labour may, on the application of an approved society under the N. I. A., 1911 (now the N. H. I. Act, 1924), or any other association of employed persons (other than an industrial assurance company or a collecting society, or a separate section thereof, or a society organised by such company or society) being a society or association the rules of which provide for payments to its members or any class thereof while unemployed, make an arrangement with the society or association that in lieu of paying unemployment

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benefit under the Act to persons who are members of the society or other association, there shall be repaid periodically to the society or other association out of the unemployment fund such sum as appears equivalent to the aggregate amount which those persons would have been entitled to receive during that period by way of unemployment benefit under the Act if no such arrangement had been made. The making or continuing of an arrangement under the section is subject to the conditions therein mentioned. The Unemployment Insurance Act, 1921 (11 Geo. 5, c. 1), s. 6, empowers a society to alter its rules to enable the society to make an arrangement under s. 17 of the Act of 1920, and the Unemployment Insurance (No. 2) Act, 1921 (11 Geo. 5, c. 15), s. 12, amends the conditions of s. 17.

SCIENTIFIC, &C. SOCIETIES EXEMPTED FROM RATES.

Societies registered under the special authority (No. 7), and also, it would seem, under special authority (No. 8) (see *Royal College of Music* v. *Westminster Vestry*, (1898) 1 Q. B. 809), might, under certain conditions, obtain exemption from local rates by means of the registrar's certificate under the Scientific Societies Act, 1843 (6 & 7 Vict. c. 36). In order to be entitled to such exemption, (1) the society must be instituted for purposes of science, literature, or the fine arts *exclusively;* (2) the land, houses, or buildings, or parts of houses or buildings exempted must belong to the society either as tenant or owner, and be occupied by it for the transaction of its business, and for carrying into effect its purposes; and (3) the society must be supported wholly or in part by annual voluntary contributions, and is not to, and by its laws may not, make any dividend, gift, division or bonus in money unto or between any of its members: Scientific Societies Act, 1843, s. 1.

The society must exist exclusively for the purposes specified in the Act. Thus there is no exemption for a society established for educating the children of the labouring classes (*R.* v. *Pocock* (1846), 15 L. J. M. C. 132), or training members for a particular profession: *R.* v. *Institution of Civil Engineers* (1879), 5 Q. B. D. 48; or where the society's funds may be applied to other purposes than science, &c.: *R.* v. *St. Martin-in-the-Fields Overseers* (1852), 21 L. J. M. C. 53; or if the society has as its primary object the amusement of members (*R.* v. *Brandt* (1851), 20 L. J. M. C. 119), or their private benefit and convenience: *R.* v. *Gaskill* (1851), 21 L. J. M. C. 29; or provides for amusement and recreation generally: *R.* v. *Zoological Society* (1854), 23 L. J. M. C. 139. Exemption was refused by the registrar to the Academy of Dramatic Art, which

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was incorporated to carry on a school of dramatic art, and to promote the study, practice, and knowledge of acting, voice production, elocution, diction, languages, gesture, dramatic literature, scenic painting, music, singing, fencing, deportment, and dancing, on the ground that dramatic art was not a "fine art" within the Act, but even if it were, the society was not established for that purpose exclusively: see (1920) R. C. R. 25.

The premises in respect of which exemption is claimed must be used solely for the purposes of the society (*Purvis* v. *Traill* (1849), 18 L. J. M. C. 57), and not occupied partly by other persons (*Clarendon* v. *St. James'* (1852), 20 L. J. M. C. 213); but the exemption is not lost merely because a part of the premises is occupied by the society's servants for its purposes (*Linnean Society* v. *St. Anne's, Westminster, Overseers* (1854), 23 L. J. M. C. 148), or if the part sub-let is separately rated: *R.* v. *Manchester Overseers* (1851), 20 L. J. M. C. 113.

By voluntary contributions is meant payments which are gratuitous or without consideration and where no advantage is obtained for the money paid (*Savoy Overseers* v. *Art Union of London*, (1896) A. C. 296), and not where the society provides special privileges for members who contribute: *R.* v. *Zoological Society* (1854), 23 L. J. M. C. 139. An institution established for the purposes of the fine arts exclusively and supported by the fees of students and grants from the County Council and the Board of Education is entitled to exemption: *Hornsey School of Art* v. *Edmonton Union* (1905), 94 L. T. 203.

There must be an express rule prohibiting the making of "any dividend, &c." (*R.* v. *Jones* (1846), 15 L. J. M. C. 129); and the right to exemption is not lost because the society receives rent for a part of its premises (*R.* v. *Manchester Overseers* (1851), 20 L. J. M. C. 113), or receives money to defray expenses (*ib.*), or because its rules provide that in the event of dissolution the funds may be divided among the members: *ib.*

The certificate of the registrar, though a condition precedent to the exemption, is not conclusive of the right to it (*R.* v. *Phillips* (1848), 17 L. J. M. C. 83), and if the society is rated after obtaining a certificate, it should appeal to quarter sessions against the rate: *Exp. Birmingham Overseers* (1849), 18 L. J. M. C. 89. The right to exemption is not affected by a local rating Act: *Liverpool Library* v. *Liverpool Corporation* (1860), 29 L. J. M. C. 221; it also extends to rates levied by a body created by statute with power to levy rates on the occupiers of certain Crown property to defray the cost of paving, lighting, watching and

regulating such Crown property: *Crown Estates Paving Commissioners* v. *Royal Academy of Music* (1919), 147 L. T. J. 115.

Obtaining certificate.

For the purpose of obtaining the exemption, the society must cause three copies of all laws, rules and regulations for its management, signed by the president or other chief officer and three members of the council or committee of management, and countersigned by the clerk or secretary, to be submitted to the registrar of the country where the society is established, and the registrar is to give a certificate on each copy that the society is entitled to the benefit of the Act, or is to state in writing the grounds on which such certificate is withheld; and one copy when certified is returned to the society, another is retained by the registrar, and the other is transmitted by the registrar to the clerk of the peace for the borough or county where the land or buildings so to be exempted are situated, and is by him to be laid before the recorder or justices at the next general quarter sessions or adjournment thereof, and to be by him or them allowed and confirmed and to be filed with the rolls of the sessions of the peace without fee or reward: Scientific Societies Act, 1843, s. 2. In counties and county boroughs, the duties of quarter sessions are now transferred to the county and borough councils respectively, and in county boroughs the town clerk is substituted for the clerk of the peace: Local Government Act, 1888 (51 & 52 Vict. c. 41), ss. 3 (xv), 34 (1).

Effect of alteration of rules of the society.

If the laws, rules and regulations of the society shall be altered so as to affect or relate to its property or constitution, such alterations must within one calendar month of being made be submitted to the registrar to be certified as aforesaid, and when certified shall be filed as aforesaid, and in the meantime the society shall be entitled to the benefit of the Act as if no such alterations had been made; but if the registrar refuses to certify, then, subject to appeal, the society ceases to be entitled to the benefit of the Act from the time when the alterations come into operation: Scientific Societies Act, 1843, s. 3.

Fee for certificate.

The fee payable to the registrar for perusing the laws, rules and regulations of the society or the alterations and giving such certificate or statement as aforesaid is not to exceed one guinea, and with the expense of transmitting the rules to and from the registrar is to be defrayed by the society: *ib.* s. 4.

Appeal from refusal of certificate.

If the registrar refuses to certify, the society may submit its laws, rules and regulations to the court of quarter sessions for the borough or county where the land or buildings of the society are situated with the reasons assigned by the registrar for such

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refusal, and the recorder or justices may order the same rules to be filed notwithstanding such refusal, and such filing is to have the same effect as if the registrar had certified: *Ib.*, s. 5. Any person assessed to any rate from which a society is exempted may appeal from the decision of the registrar in granting such certificate to the court of quarter sessions, and the certificate of the registrar, if granted contrary to the provisions of the Act, may be annulled: *Ib.*, s. 6.

Appeal from grant of certificate.

WHETHER A FRIENDLY SOCIETY IS A CHARITY.

Whether or not a friendly society is a charity, so that on the failure of its objects its funds must be applied *cy-près*, or whether a bequest in aid of its funds is a bequest for charitable purposes, seem to be questions that must be decided from a consideration of the nature and objects of the society: a comparison of the decided cases appears to show that a friendly society, when poverty or circumstances pointing thereto are part of the qualification required for the receipt of benefits, is a charitable institution. But generally on the meaning of the words "charitable purposes," see *Commissioners of the Income Tax* v. *Pemsel*, (1891) A. C. 531.

Society held to be charitable.

Thus the purposes of a society are charitable where its funds are provided partly by donations of non-members and poverty is an ingredient in the qualification of the members who receive the benefits of the society: *Spiller* v. *Maude* (1881), 32 C. D. 158, n.; *Re Lacy*, (1899) 2 Ch. 149; or where it provides by subscriptions and donations for the benefit of miners by defraying funeral expenses, supporting the families of those disabled and paying a sum at death: *Pease* v. *Pattinson* (1886), 32 C. D. 154; or where it provides by subscriptions, contributions and fines an "invested fund" for the relief by means of annuities of members, their widows and children if in distressed circumstances: *Re Buck*, (1896) 2 Ch. 727.

Society held not charitable.

But a society is not a charitable institution which provides by subscriptions and fines for the mutual benefit of members in sickness, lameness, or old age, poverty not being a necessary accompanying circumstance: *Re Clark's Trust* (1875), 1 C. D. 497; or merely for the benefit of the widows and children of members: *Mitchell* v. *Burness* (1878), 5 Rett. 954; or for the relief of the widows of members, even though honorary members have agreed that their widows should not participate in the benefits: *Cunnack* v. *Edwards*, (1896) 2 Ch. 679; or for the benefit of members without relation to their need, although the funds were augmented by the donations of honorary members: *Braithwaite* v. *A.-G.*, (1909) 1 Ch. 510. Cf. *Re Anon.* (1745), 3 Atk. 277.

A friendly society is exempted from the operation of the

Charitable Donations Registration Act, 1812 (52 Geo. 3, c. 102), by s. 12 thereof, and of the Charitable Trusts Act, 1853 (16 & 17 Vict. c. 137), by s. 62 of that Act. S. 8.

Unregistered societies.

Besides the societies which are registered under this Act, and enjoy the privileges thereby conferred, the Act takes some notice of societies which are not registered under it. Thus, with regard to the benefits it assures to persons serving in the territorial army and naval volunteers, an unregistered society is subject to the provisions of s. 43, and those industrial assurance companies which insure payments on the death of children are subject to ss. 62 and 64—67, but no unregistered society can carry on industrial assurance, I. A. A., s. 1, or in other words, there cannot be an unregistered collecting society.

Objects of unregistered societies.

Unregistered friendly societies to which the Friendly Societies Acts apply are such unregistered societies whose objects are substantially the same as some, though not necessarily all, of the objects stated in s. 8 (1): *Knowles* v. *Booth* (1883), 32 W. R. 432. And if the main objects of an unregistered society are legal, *e.g.*, the relief of members when disabled by age or accident, or when out of employment, the society is not illegal, nor are its rules for providing benefits for members unenforceable, merely because some of its rules made *bonâ fide* for the purpose of protecting its funds from avoidable claims are incidentally to some extent in restraint of trade, provided that such rules go no further than is reasonable and necessary for the purpose: *Swaine* v. *Wilson* (1889), 24 Q. B. D. 252; and this may be so even though the society is registered under the Trade Union Acts: *Gozney* v. *Bristol, &c. Trade and Provident Society*, (1909) 1 K. B. 901.

Societies which are trade unions.

But where the main objects of a society are in restraint of trade, then, although some of its rules provide benefits for members in the case of sickness, infirmity, want of employment, &c., the society is a trade union, and even though not registered as such, it is illegal, so that an action by the central body against a branch to prevent a division of the branch funds is not maintainable: *Duke* v. *Littleboy* (1880), 49 L. J. Ch. 802. Cf. *Hornby* v. *Close* (1867), L. R. 2 Q. B. 153; *Farrer* v. *Close* (1869), L. R. 4 Q. B. 602.

In the case of societies which are registered as trade unions, and thereby acquire certain privileges, provisions in the rules giving benefits for members are unenforceable by virtue of the Trade Union Act, 1871 (34 & 35 Vict. c. 31), s. 4: *Old* v. *Robson*

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(1890), 59 L. J. M. C. 41; *Sayer* v. *Amalgamated Society of Carpenters* (1902), 19 T. L. R. 122; *Cullen* v. *Elwin* (1904), 20 T. L. R. 490; *Burke* v. *Amalgamated Society of Dyers*, (1906) 2 K. B. 583; *Mudd* v. *General Union of Carpenters* (1910), 26 T. L. R. 518; *Russell* v. *Amalgamated Society of Carpenters*, (1912) A. C. 421; *Baker* v. *Ingall*, (1912) 3 K. B. 106; but the enforcing of a provision giving benefits to dependents is not excluded by s. 4: *Love* v. *Amalgamated Society of Lithographic Printers* (1912), 49 Sc. L. R. 788. And query whether the Court could not make a declaration as to the meaning and effect of the rules of a trade union: per Fletcher Moulton, L. J., *Gozney* v. *Bristol, &c. Trade and Provident Society*, (1909) 1 K. B. 901, 918. Moreover, in the case of trade unions, whether registered or unregistered, owing to their illegality, an action cannot be maintained to prevent the exclusion of a member from participating in the property of the union: *Rigby* v. *Connol* (1880), 14 C. D. 482; *Chamberlain's Wharf* v. *Smith*, (1900) 2 Ch. 605; or to restrain the society from levying and enforcing payment of fines (*b*): *Mullet* v. *United French Polishers' London Society* (1904), 91 L. T. 133. But a trade union, whether registered or unregistered, can be restrained, at the instance of a member, from applying its funds otherwise than according to its rules: *Wolfe* v. *Matthews* (1882), 21 C. D. 194; *Yorkshire Miners' Association* v. *Howden*, (1905) A. C. 256; *Cope* v. *Crossingham*, (1909) 2 Ch. 148; *Amalgamated Society of Railway Servants* v. *Osborne*, (1910) A. C. 87; *Wilson* v. *Amalgamated Society of Engineers*, (1911) 2 Ch. 324; and a member who has been illegally expelled under the rules can maintain an action for reinstatement as a member and an injunction: *Osborne* v. *Amalgamated Society of Railway Servants*, (1911) 1 Ch. 540; *Kelly* v. *National Society of Operative Assistants* (1915), 84 L. J. K. B. 2236.

Apart from this Act it is difficult to define and determine the exact status and position of an unregistered friendly society. Although in *Beaumont* v. *Meredith* (1814), 3 V. & B. 180, a mutual benefit society, and in *Silver* v. *Barnes* (1839), 6 Bing. N. C. 180, a loan society, and in *Lloyd* v. *Loaring* (1802), 6 V. 773, a lodge of freemasons were referred to as partnerships, it seems to be a misuse of the term to apply it to an unregistered

(*b*) In both the reports of *Mullet* v. *United, &c.*, it is erroneously stated that the society was registered under the Friendly Societies Act, but it was in fact registered under the Trade Union Acts.

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friendly society which is not a partnership, but an association of persons who have agreed to pay money into a common fund to be paid out under certain conditions: *Oldham Our Lady's Sick and Burial Society* v. *Taylor* (1887), 3 T. L. R. 472; and see *Re Lead Company's Workmen's Fund Society*, (1904) 2 Ch. 196, 203. See the definition of a partnership in the Partnership Act, 1890 (53 & 54 Vict. c. 39), s. 1. In this aspect an unregistered friendly society might more fittingly be compared to a club or voluntary association, and there is no partnership between the members of a political and social club: *Flemyng* v. *Hector* (1836), 2 M. & W. 172, or of a society for the protection of trade: *Caldicott* v. *Griffiths* (1853), 8 Ex. 898; and a club has been held not to be a partnership within the meaning of the Winding-up Acts: *Todd* v. *Emly* (1841), 8 M. & W. 505; *Re St. James' Club* (1852), 2 D. M. & G. 383. Cf. also *Murray* v. *Johnstone* (1896), 33 Sc. L. R. 714.

There are statutes which appear seriously to affect unregistered societies, whether the objects of such societies are those of a friendly society or of any of the other kinds of societies which are registrable under this Act.

The Companies (Consolidation) Act, 1908 (8 Edw. 7, c. 69), s. 1 (2), re-enacting the Companies Act, 1862 (25 & 26 Vict. c. 89), s. 4, enacts that no company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is registered as a company under the Companies Acts, or is formed in pursuance of some other Act of Parliament. By virtue of this enactment an unregistered loan society is illegal and unable to maintain an action: *Jennings* v. *Hammond* (1882), 9 Q. B. D. 225; *Shaw* v. *Benson* (1883), 11 Q. B. D. 563, unless the society was formed prior to Nov. 2, 1862: *Shaw* v. *Simmons* (1883), 12 Q. B. D. 117; but an unregistered dividing society apparently is not illegal: *Re One and All, &c. Association* (1909), 25 T. L. R. 374. A mutual marine association, though it has not for its object the acquisition of gain by the association, has for its object the acquisition of gain by the individual members, so that if unregistered, it is illegal: *Re Arthur Average Association* (1875), L. R. 10 Ch. 545, n.; *Re Padstow Total Loss and Collision Assurance Association* (1882), 20 C. D. 137. An unregistered money club, which at its inception comprises less than twenty members becomes an illegal association as soon as its

S. 8. membership exceeds twenty, and if the society then makes contracts and is subsequently registered and the contract is recognised and acted on, the society can sue on the contract: *Re Thomas* (1884), 14 Q. B. D. 379.

Whether an unregistered friendly society is within the principle of the above cases, and an illegal association for want of registration under the Companies Acts, cannot be free from doubt. Any association rendered illegal by these Acts cannot enter into contracts, and hence cannot sue either in its own name or by a trustee: *Jennings* v. *Hammond, ubi sup.; Shaw* v. *Benson, ubi sup.*, or be sued: *Re London Marine Association* (1869), L. R. 8 Eq. 176, 195; nor can it be wound up under the Companies Acts at the instance of the Association or any creditor or member: *Re Arthur Average Association, ubi sup.; Re South Wales, &c. Co.* (1875), 2 C. D. 763; *Re Padstow, &c. Association, ubi sup.; Re Ilfracombe Permanent Mutual Benefit Building Society,* (1901) 1 Ch. 102; but see *Re Victoria Society,* (1913) 1 Ch. 167. See also p. 190.

In certain circumstances an unregistered friendly society might be subject to the Assurance Companies Act, 1909 (9 Edw. 7, c. 49), which applies to all persons or bodies of persons, whether corporate or unincorporate, not being registered under the Acts relating to friendly societies, or to trade unions whether established before or after the commencement of the Act (*i.e.*, December 3rd, 1909), and whether established within or without the United Kingdom, who carry on within the United Kingdom assurance business of all or any of the following classes as in the Act defined, *i.e.*, life assurance, fire insurance, accident insurance, employers' liability insurance, or bond investment: see p. 263. If any unregistered friendly society carries on business so as to come within the foregoing definition it is liable to the general provisions of the Assurance Companies Act, 1909, subject as respects any class of business to the special provisions relating to business of that class, unless the society obtains exemption under s. 35 of the Act: p. 271.

An unregistered loan society appears also to be subject to the Money Lenders Act, 1900 (63 & 64 Vict. c. 51), so as to require to be registered under that Act and to be liable to penalties for default of doing so.

Property of unregistered societies.

Even if an association such as an unregistered friendly society be illegal for want of registration under the Companies Act or otherwise, it is not criminal, and its individual members can be joint beneficial owners of property, so as to be entitled to the

protection afforded to the property of such an association by the Larceny Act, 1916 (5 & 6 Geo. 5, c. 50), s. 40 (4), which does not extend to Scotland, and provides: "If any person who is a member of any co-partnership, or is one of two or more beneficial owners of any property, steals or embezzles any such property of or belonging to such co-partnership or to such beneficial owners, he shall be liable to be dealt with, tried, and punished as if he had not been or was not a member of such co-partnership or one of such beneficial owners": see *R.* v. *Tankard,* (1894) 1 Q. B. 548, and cf. *R.* v. *Stainer* (1870), L. R. 1 C. C. 230; but an association having for its object not the acquisition of gain but the spiritual and mental improvement of its members is not a "co-partnership" within the meaning of the above section: *R.* v. *Robson* (1885), 16 Q. B. D. 137. The trustees of an unregistered friendly society can sue the treasurer for moneys of the society which he has converted to his own use: *Marrs* v. *Thompson* (1902), 86 L. T. 759; and the members of an unregistered society can also protect the funds of the society and restrain by injunction any dealings with such funds contrary to the rules: see *Wolfe* v. *Matthews* (1882), 21 C. D. 194, and other cases cited on p. 36. As to the position of an officer of an unincorporated association: see *London Association for Protection of Trade* v. *Greenlands,* (1916) 2 A. C. 15, 37.

Thus the inconvenience and possible liabilities arising from the position which an unregistered society seems to occupy point out the desirability of such a society obtaining incorporation or a definite status by registration under this or some other Act. As to the right of a majority of the members of an unregistered society to determine on registration and control the funds, see *Oldham Our Lady's Sick and Burial Society* v. *Taylor* (1887), 3 T. L. R. 472; *M'Kenny* v. *The Mayor and Corporation of Barnsley* (1894), 10 T. L. R. 533. As to the right of a member of a voluntary association to retire therefrom, see *Finch* v. *Oake,* (1896) 1 Ch. 409; *Maitland's Case* (1853), 4 D. M. & G. 769, 775.

Conditions of registration.

9.—(1.) A society shall not be registered under this Act unless it consists of seven persons at least.

Registration under this Act is purely voluntary, and, except for the majority of specially authorised societies, gratuitous. All the associations which are permitted to be enrolled under this Act might, if they preferred it, obtain incorporation by registration under the Companies Act. If after registration under this

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Act the society prefers to become incorporated under the Companies Act, that end can be attained by a conversion under s. 71.

Limit to number of members.

Seven persons is the number required for the registration of a friendly society, being the same as is required for registration of a trade union (34 & 35 Vict. c. 31, s. 6), of an industrial and provident society (56 & 57 Vict. c. 39, s. 5), unless consisting of two or more registered societies, and of a company, not being a private company (8 Edw. 7, c. 69, s. 2); though three is sufficient in the case of a loan society under the Loan Societies Act, 1840 (3 & 4 Vict. c. 110), s. 4, or a building society (37 & 38 Vict. c. 42, s. 17), and in the case of a private company two only. It would seem that if the number of members fell below seven the society would not cease to exist or lose its rights, though if there were less than three it could hardly be said to exist, as the signature of three members is necessary to an amendment of rules.

The law does not impose a maximum limit on the number of members, or any conditions as to their admission; these matters, if necessary or desirable, must be regulated by the rules of the society.

A working men's club which is registered under the provisions of the Licensing (Consolidation) Act, 1910 (10 Edw. 7 & 1 Geo. 5, c. 24), is liable to be struck off the register under s. 95 (1) of that Act if the number of members is less than twenty-five.

(2.) For the purpose of registry there shall be sent to the registrar an application to register the society, signed by seven members and the secretary, and copies of the rules, together with a list of the names of the secretary and of every trustee or other officer intended to be authorised to sue and be sued on behalf of the society.

Application to register.

Every application to register a society shall be in Form A (p. 502): T. R. 3. It must be sent to the registrar of the country in which the registered office of the society is intended to be. In Form A itself are indicated the necessary modifications to be made for the different classes of societies, and the documents which should accompany the application. The rules must be printed. If the application is by a body which has been already registered as a branch of a society, a certificate of secession or expulsion also is required: see s. 20. The application for registration of a cattle insurance, or a benevolent society, or a work-

ing man's club, or a specially authorised society under a limited special authority, is made on a modified Form A. S. 9.

Every application by a society about to be registered for a certificate under the Shop Clubs Act, 1902, shall be in the form appended to this regulation (p. 552). Every application by a society already registered shall be accompanied by its existing rules or by a complete amendment of such rules, and shall be in the same form with the necessary modifications: T. R. 76. Shop club or thrift fund.

The secretary need not be a member of the society, but if he is the signatures of seven other members will be necessary. As there is nothing in the Act to show that the Legislature intended anything special as to the mode of signature of the application, the ordinary rule would apply that signature by an agent is sufficient: see *Re Whitley Partners* (1886), 32 C. D. 337, and compare *Dennison* v. *Jeffs*, (1896) 1 Ch. 611. It would not be necessary that the authority to sign should be given by deed; and though it would be irregular for A. to sign B.'s name without denoting that it was signed by A. as his attorney, the signature would not on that ground be invalid: *Re Whitley Partners* (1886), 32 C. D. 337. Secretary.

As to resolutions appointing trustees and officers to sue and be sued, see s. 25. It is not necessary to appoint such last-mentioned officers; the society can properly sue and be sued by its trustees: s. 94. The power of appointing officers for the purpose is to meet the objection of the trustees of some societies to be concerned in legal proceedings. Trustees, &c.

(3.) The rules of the society so sent shall, according to the class in which the society is to be registered, contain provisions in respect of the several matters mentioned in the First Schedule to this Act.

Model rules for friendly societies have been prepared by the central office: see Appendix. The use of such model rules is not compulsory, but tends to expedite registry, as the registrar has not to consider whether a rule is or is not contrary to the provisions of the Act if he sees it to be in the office form. There is no registry of rules as apart from the registry of the society: the society is registered with certain rules, and unless they are in conformity with the provisions of the Act the registrar refuses to register the society. Rules.

The rules of societies approved under the N. H. I. Act, 1924, are in certain particulars subject to the consent of the Minister of Health acting through the Welsh Board of Health in Wales and the Scottish Board of Health in Scotland: N. H. I. Act, Approved societies.

S. 9. 1924, ss. 22, 29 (1), 34 (1), 111, 117 (1), 131; Ministry of Health Act, 1919, ss. 3 (1) (b), 5, 10 (2); Scottish Board of Health Act, 1919, s. 4 (1) (b).

CONTENTS OF THE RULES. In the rules all the matters mentioned in Sched. I. (p. 235) must be provided for, none can be omitted; in reference to the several clauses of the schedule the following points may be noted:—

(1) Name, &c. As to the name, see s. 10. The registered office must be clearly described, but need not be the same as the place of meeting of the society.

(2) Objects. A society cannot have any object other than those specified in the rules, nor can its specified purposes be other than those in the Act: s. 8; and the funds cannot be applied to other purposes than those expressed in the rules. A society cannot apply its funds in payment of the costs of the litigation by an officer for the recovery of damages for a personal wrong inflicted on himself: see *Oram* v. *Hutt*, (1914) 1 Ch. 98.

Terms of admission. The terms of admission should state limits of age (if any), qualification, &c., for admission, and the entrance fee (if any) required.

Conditions of benefit. The conditions of benefit include the contributions requisite to assure it, the time at which and the limitations within which and the procedure by which it may be claimed, and the restrictions on its enjoyment.

Summer time. The Summer Time Act, 1922 (12 & 13 Geo. 5, c. 22), s. 1 (2) (made permanent by the Summer Time Act, 1925), provides that wherever any reference to a point of time occurs in any order, regulation, rule, bye-law, deed, notice, or other document whatsoever, the time referred to shall, during the period of summer time, be deemed to be the time as fixed for general purposes by that Act; but nothing in that Act should affect the operation of the Summer Time Act, 1916, which provided that where it was expedient that any time fixed by any rule or other instrument should be adjusted, and such adjustment could not be effected except after a certain interval or in compliance with certain conditions, the registrar might, on the application of the committee of management, make such adjustment as might seem to him proper.

Fines. No fines can be enforced except those specified in the rules which are recoverable in a court of summary jurisdiction: s. 91. Suspension and expulsion may be validly imposed as consequences of non-payment of subscriptions: cf. *Catt* v. *Wood*, (1910) A. C. 404. An express power given by rule to fine in a specified instance negatives a power in the arbitration committee to fine

in other cases, and a judgment recovered in the county court for the amount makes no difference in validating the fine: *Loach* v. *Coley* (1907), 122 L. T. J. 463. Where the rules of a society provided that a claim for death benefit should be made by sending to the society within thirty-five days a certificate signed by the claimant, a medical man, and local officers of the society, and the certificate of a claimant was not signed by the officers till after the thirty-five days had expired, it was held that the delay being due entirely to persons employed by the society, the society could not rely on their delay as an answer to the claim: *Wright* v. *Northumberland and Durham Miners' Permanent Benefit Society* (1912), R. C. R. 201.

(3) Meetin &c.

The Act does not prescribe the frequency at which meetings are to be held, except in the case of collecting societies, which must hold at least one meeting in every year: I. A. A., s. 19 (1); but the rule must provide for sufficient meetings to enable the business of the society to be effectively carried on, or the registrar will not allow it to be registered. The place of meeting (which need not be the registered office) and notices necessary to convene it, the appointment of a chairman, the limits to the right of voting (if any), the use of proxies (if allowed), the number requisite for a quorum, and the proceedings in cases of equality of votes or for adjourning a meeting, are matters for which provision should be made. A special meeting called by the registrar may be held at such place as he may direct, and may appoint its own chairman, notwithstanding any rule to the contrary: s. 76.

Manner of altering ru

Where a rule provided that any member wishing to propose an alteration of the rules should give notice to the secretary, it was held by the chief registrar that though every member and official, whether paid or unpaid, was entitled to propose an amendment of rules, the secretary was precluded by such rule from doing so, though he might move an amendment in the name of the committee if authorised by them: *Everett* v. *Rockliff* (1909), R. C. R. 17.

(4) Officers

In addition to a committee, treasurer and trustees, which are specifically referred to in Sched. I., the rules must provide for the appointment and removal of a secretary, persons to sue and be sued (if intended), and other officers (if desired).

An agreement with a promoter of a society that a person whom he induced the society to appoint as an officer should pay him a sum of money is a corrupt agreement and not enforceable: *Starr* v. *Wall* (1889), 6 T. L. R. 108.

By the rules of a friendly society enrolled under the 10 Geo. 4,

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c. 56, the power of electing a treasurer and other officers was vested in a committee of *eleven*. At a meeting of the committee, at which *ten* of the members only were present—the eleventh not having received notice—the defendant, the former treasurer, was removed, and the plaintiff appointed in his stead, by a majority of votes. This election was void, although the absent committeeman had for a considerable period ceased to attend the meetings, and had intimated an intention not to attend any more, and although the defendant himself had demanded a poll: *Roberts* v. *Price* (1847), 16 L. J. C. P. 169.

A mandamus would not lie to reinstate an officer who had been dismissed by resolution of a general meeting of a society: *Evans* v. *Heart of Oak Benefit Society* (1866), 12 Jur. N. S. 163.

One of the rules of a benefit society empowered the committee to meet "for the purpose of examining candidates for admission and to settle and determine any matter relating to the breach or non-observance of the articles of the society by any of its members and their exclusion in consequence thereof, and to settle and determine any other matter or thing relating to the society, subject nevertheless to the confirmation of the society at their next quarterly meeting." It was held that the latter words were to be considered in conjunction with and as qualified by the preceding portion of the rule, and did not authorise the committee to enter into a contract which was in violation of the other rules of the society: *Tyrrell* v. *Woolley* (1840), 1 Man. & G. 809; cf. *Garner* v. *Shelley* (1829), 5 Bing. 477.

anches.

In the case of a society with branches, the rules must define what funds are under the control of the central body and the branches respectively (s. 29), and the conditions regulating the secession of branches should be defined with especial care.

Invest-
nts, &c.

As to investments, see ss. 44—47. As to accounts, see also clause (10), *infra*. As to audit, see s. 26; unless it is intended that a public auditor shall be employed, the rules should provide for the appointment of two auditors at least.

Annual
urns, &c.

As to annual returns, see s. 27. If the balance sheet is to be supplied to members instead of the annual return (s. 39), provision for the audit of the former should be made.

Inspec-
n.

The statutory right of inspection of books (see s. 40) may be regulated in its exercise, but cannot be restricted.

Disputes.

As to disputes, see s. 68. It is not necessary to provide for arbitration as the method of settling disputes, but the method selected should not of itself be open to objection, *e.g.*, the committee of management ought not to be appointed to determine disputes, as such committee would usually be a party to a dispute.

The registration of dividing societies is permitted by s. 15, which repeats this requirement. The rules should define what funds are to be divided, and under what conditions.

(9) Dividing societies.

By the keeping of separate accounts miscalculations in the rate of contributions for any particular benefit can be discovered and remedied. The adoption of separate rates of contribution is therefore a matter of prudence, but even if separate rates for different benefits are not adopted, nevertheless the payments towards and the expenses of management must be dealt with in a separate account. The contributions to the expenses of management should be either a separate sum or a fixed proportion of a member's contributions, and deficiencies in the management account should be made up by levy, as the benefit funds cannot be resorted to for the purpose, and a transfer of benefit funds to meet any such deficiency is irregular. The keeping of separate accounts does not necessarily require the separation of funds or investments.

(10) Separate accounts, &

Approved societies and the branches thereof must keep their State Insurance books and accounts separate from all other books and accounts and in the prescribed form, and the provisions of the N. H. I. A. relating to accounts and audit apply in lieu of the provisions of the F. S. A.: N. H. I. A., 1924, s. 72 (1), (2).

A collecting society must have a rule providing for keeping a separate account of all receipts in respect of industrial assurance business: see I. A. A., s. 8 (1), p. 292.

As to valuation, see s. 28. The first valuation must take place within five years of the registry of the society; the rule might provide, by an annual contribution, that the expense of the quinquennial valuation should not fall on the funds wholly in one year. In the case of a society likely to be exempted from valuation, the rule providing for a valuation is not omitted, but is prefaced by the words "unless the chief registrar, with the approval of the Treasury, shall dispense therewith," &c., see p. 75.

(11) Valuation.

A collecting society must have a rule providing for separate valuations being made of its industrial assurance business: see I. A. A., s. 8 (1), p. 292.

See ss. 78, 79. The statutory right of dissolution cannot be excluded or limited by rule: cf. *Re Peveril Gold Mines*, (1898) 1 Ch. 122.

(12) Dissolution.

See s. 80. In the rules of a branch, provision should be made for the consent of the central body of the society: see s. 82.

(13) Dissolution by award

A collecting society is bound to insert certain provisions in its rules: see I. A. A., s. 8 (3), p. 293.

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ional visions.

There are other matters which may be dealt with by the rules, and should be considered when the rules are being prepared; it is very desirable that the rules should make provision for some of them, even though it is not obligatory to do so. Such matters comprise the following, namely, whether the society should make contributions to another society, *e.g.*, a medical society, s. 22; whether minors should be admitted as members, s. 36; as to the accumulating of contributions for a member's use, s. 42; as to loans to members, s. 46; as to the holding of land, s. 47; whether officers in receipt of money should give security, s. 54; whether the society should terminate on the happening of any particular event, s. 78; the appointment of officers to fulfil the statutory duties of the society, s. 85; and a form of receipt to be endorsed on mortgages, s. 98 (4). It is also desirable by way of reminder to the officers of the society to embody in the rules provisions directing the performance of the various duties prescribed by the Act and the regulations: see model rules.

les of registered ieties.

A member of an unregistered society had signed a declaration agreeing to be bound by the rules, by which the committee were authorised to pay death allowances to certain specified relatives in such proportions as the committee should determine, unless otherwise bequeathed by will, and the committee and the society were exonerated from further claim when once an allowance had been paid. It was held that the rules constituted the contract between the member and the society, and that the death allowance was not the property of the member during his life, and, in the absence of a bequest by will, was not assets for payment of his debts, so as to enable his administrator to recover it from the deceased member's sister, to whom it had been paid by the society: *Ashby* v. *Costin* (1888), 21 Q. B. D. 401.

The object of an unregistered friendly society was to enrol members for the purpose of contributing small sums for the benefit of relatives or nominees of members at their death. The rules provided for a levy to be made on the death of a member, and for the payment of the same, less the cost of the levy, to the nominee of the deceased member. G., a member in respect of whose death a sum of 148*l.* 8*s.* 1*d.* so levied was due, had, pursuant to the rules, nominated H. to receive all benefits which might be due on his behalf from the society. The sum was also claimed by the administrator of G.'s estate: but it was held by Kay, J., that the payment did not come out of the funds of the society, but was a contribution by the members for the benefit of the person nominated by G., and that practically it was

equivalent to a contract by A. with B., that B. would on A.'s death pay to C. a certain sum of money, and therefore that the claim of the nominee must prevail: *Harris* v. *The United Kingdom Postal and Telegraph Service Benevolent Society* (1889), 87 L. T. J. 272. In the same society, it was held that where the nomination made by a member was invalid, the member's executor had no claim to the moneys which were distributable at the discretion of the committee according to the rules: *Hannay* v. *Horner* (1916), 32 T. L. R. 240.

Every registered friendly society which provides benefits similar to those conferred by Part I. of the N. I. A., 1911, must submit to the registrar a scheme adopted by it in the manner provided by its rules as to an amendment of rules, and similar provisions apply to any superannuation or provident fund established before December 16th, 1911, for the benefit of the persons employed by one or more employers: see N. I. A., 1911, ss. 72, 73. These provisions apply to branches. A scheme, when confirmed by the registrar, is deemed to be incorporated in the rules of the society or branch, and may be amended accordingly, but so that no amendment shall be inconsistent with the provisions above referred to.

The rules of a provident fund, founded by an employer, provided benefits in the case of a member who died leaving a widow, and that no person leaving the employment of his own accord or ceasing to be a member of the fund at his own request should have any claim on the fund. A member applied to the employer and obtained leave to join the army in 1914, and in the next year was killed in action. A claim by his widow and administratrix against the fund failed on the ground that he had left his employment of his own accord: *Joyce* v. *Lord Ebury*, (1917) W. N. 51.

(4.) If the list is signed by the secretary and every trustee and other officer named therein, it shall on the registry of the society be evidence that the persons so named have been duly appointed.

Signatures of officers.

The list referred to is the list of the names of the secretary and of every trustee or other officer mentioned in sub-s. 2 which has to accompany the application to register. This provides for evidence of the appointment of officers on the registration of the society similar to that required on the appointment of new trustees or other officers under s. 25. The list so signed is *primâ facie* evidence only of the due appointment of the officers so signing, and such evidence may be rebutted.

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Name of society.

10. A society shall not be registered under a name identical with that under which any other existing society is registered, or so nearly resembling that name as to be likely, or in any name likely, in the opinion of the registrar, to deceive the members or the public as to its nature or its identity.

Name.

Similar provisions are in force with regard to trade unions (34 & 35 Vict. c. 31, s. 13 (3)), building societies (37 & 38 Vict. c. 42, ss. 17, 22), industrial and provident societies (56 & 57 Vict. c. 39, s. 5), and companies (8 Edw. 7, c. 69, s. 80). The power of deciding as to the name lies with the registrar, in the first instance, subject to an appeal against his refusal to register: s. 12. The litigation that has occurred under the Companies Acts in similar cases renders this provision an important one in protecting the funds of societies. The object of the section is also to prevent a society from being registered in a name likely to deceive as to its identity, or to disguise its real character.

"Existing" means existing at the date of the application for registration, and not at the passing of the Act: cf. *Re Fourth South Melbourne Building Society* (1883), 9 Vict. L. R. Eq. 54.

This section applies only to the case of a society seeking to be registered under the same or a similar name to that of a registered society, and not to a society which proposes to take a name the same or nearly resembling that of an established society which is unregistered. The Act forbids registration in the same or a similar name, whether the nature of the society is the same or not. In the case of societies under this Act and of industrial and provident societies, the registrar possesses a further power peculiar to his jurisdiction of refusing to register a society under any name, whether that of an existing society or not, which would be likely in the opinion of the registrar to deceive as to its identity. The Court will not order registration if the opinion of the registrar is genuine: cf. *Re Fourth South Melbourne Building Society, ubi sup.*, or unless either the registrar had not in fact exercised any discretion in the particular case or had exercised it upon some wrong principle of law, or had been influenced by extraneous considerations which he ought not to have taken into account: cf. *R.* v. *Registrar of Companies*, (1912) 3 K. B. 23.

An unregistered society could not restrain registration by another society under the same or a similar name unless it could found its case upon the fact that it would suffer injury by the

use of the name; in such a case it would have to rely upon the general law, and not on this section: *Hendriks* v. *Montagu* (1881), 17 C. D. 638; *Saunders* v. *Sun Life Assurance Co. of Canada*, (1894) 1 Ch. 537. It seems, however, hardly likely that such a case should arise, and the wide powers conferred by the Act upon the chief registrar are calculated to be of great benefit in the cause of friendly societies. If by inadvertence or otherwise a society were registered under an identical or similar name, the injured society would be entitled to restrain the other society from carrying on business under that name, if it were proved that that name were calculated to deceive: cf. *Merchant Banking Co.* v. *Merchants' Joint Stock Bank* (1878), 9 C. D. 560; and *North Cheshire and Manchester Brewery Co.* v. *Manchester Brewery Co.*, (1899) A. C. 83.

Where two sections of an unregistered society claimed registration under the old name, the registrar was right in refusing to register either until the legal status of the applicants had been determined: *R.* v. *Registrar of Friendly Societies* (1872), L. R. 7 Q. B. 741.

Branches.

This section does not apply to branches, the question of identity or similarity of name being a matter which concerns only the society to which the branch belongs.

Change of name.

As to change of name and the formalities necessary in connection therewith, see s. 69.

Collecting society.

As to the name of a collecting society, see I. A. A., s. 6 (p. 288).

Acknowledgment of registry.

11. The registrar, on being satisfied that a society has complied with the provisions of this Act as to registry, shall issue to that society an acknowledgment of registry specifying the designation of the society, according to the classification set forth in this Act, and this acknowledgment shall be conclusive evidence that the society therein mentioned is duly registered, unless it is proved that the registry of the society has been suspended or cancelled.

Forms of acknowledgment of registry.

The acknowledgment of registry corresponds to the certificate of incorporation of joint-stock companies; for forms of acknowledgment, see Sched. II. The form of acknowledgment of registry of a specially authorised society shall be in Form A 2 (p. 506); T. R. 4; see also s. 8 (5), note.

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The provisions of the Act as to registry are contained in ss. 8—10. The acknowledgment of registry of a collecting society cannot be issued until the deposit required by the I. A. A. has been made: I. A. A., s. 7 (1) (e).

The classification referred to is that contained in s. 8; it is necessary that the designation of the society should be specified for the purpose of defining the provisions of the Act which apply to it.

No fee is payable for the acknowledgment of registry except in the case of the majority of specially authorised societies: s. 96 (2); T. R. 70.

An acknowledgment of registry is affixed to each copy of the rules sent to the registry office: the acknowledgment bears and is authenticated by the seal of the central office in the case of a society or branch registered in England, and in the case of a society or branch registered in Scotland by the signature of the assistant registrar for that country: see ss. 2 and 4.

Effect of acknowledgment.

The acknowledgment is conclusive evidence that the society is duly registered, *i.e.*, that all matters essential to registration have been complied with: cf. *Peel's Case* (1867), L. R. 2 Ch. 674, 682; *Oakes* v. *Turquand* (1867), L. R. 2 H. L. 325, 354; but apparently it would not be conclusive of the fact that seven persons had signed the application to register: see *Re National Debenture and Assets Corporation,* (1891) 2 Ch. 505.

A society which had been duly certified would not be considered illegal so as to render it subject to the Unlawful Societies Act, 1799: *Hodges* v. *Wale* (1853), 2 W. R. 65; or to prevent a creditor from proceeding against it to enforce his debt: *Pare* v. *Clegg* (1861), 30 L. J. Ch. 742; but the certificate would not preclude an inquiry whether the society was a society within the provisions of the Act: *R.* v. *Davis* (1866), W. N. 24, or as to the legality of its rules: *Davie* v. *Colinton Friendly Society* (1870), 8 Sc. L. R. 100. Similarly the fact that the registration of a branch has not been cancelled does not preclude the county court on the hearing of a dispute between the society and the branch from receiving evidence that the branch has seceded from the society: *Wilkinson* v. *Jagger* (1887), 36 W. R. 169.

If proof of the registration of the society or its rules is required, and the acknowledgment is not forthcoming, the proper evidence should be obtained from the registry.

As to cancelling and suspension of registry, see s. 77.

Appeals from refusal to register.

12.—(1.) From a refusal to register a society an appeal shall lie as follows:—

(a) If the assistant registrar for Scotland or for Ireland refuses to register, the society may appeal to the chief registrar, and if he refuses, to the Court of Session in Scotland, or to the High Court in Ireland:

(b) If the central office refuse, the society may appeal to the High Court in England.

(2.) If the refusal to register is overruled on appeal, the registrar shall give an acknowledgment of registry to the society.

This section provides a means of reviewing the refusal of the chief registrar to register a society, and applies also to a refusal to register an amendment of rules: s. 13 (3). The procedure on appeals to the High Court of England under sub-s. 1 (b) is regulated by the Friendly Societies Act Rules, 1916 (p. 477), and appeals must be commenced within two months of the decision of the central office or chief registrar.

Registry of amendments of rules.

13.—(1.) An amendment of a rule made by a registered society shall not be valid until the amendment has been registered under this Act, for which purpose copies of the amendment, signed by three members and the secretary, shall be sent to the registrar.

Power to alter the rules.

The F. S. A., 1855 (18 & 19 Vict. c. 63), s. 27, expressly gave societies a power to alter their rules, and the repeal of that Act in 1875 leaves a society, formed prior to August 15, 1850, without any power to alter its rules so as to affect the rights of existing members who do not assent to the alteration: *Souter* v. *Davies* (1895), 15 R. 261, unless such a society originally had, or prior to 1875 has introduced, a rule giving the power of alteration: *Smith* v. *Galloway*, (1898) 1 Q. B. 71. Every society registered since August 15, 1850, must have this power, not by statute, but by reason of the statutory provisions in force since that date requiring that the rules of every society that is registered shall provide for the manner of altering and rescinding rules: see Sched. I.

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Partial and complete amendment.

An amendment of the rules of a society may be either (*a*) a partial amendment consisting of the addition of a new rule or rules, or part of a rule or rules, to the existing rules, or the substitution of a new rule or rules, or part of a rule or rules, for any of the existing rules, or any part thereof, or a rescission of any of the existing rules, or any part thereof, without any substitution, or more than one or all of these modes; or (*b*) a complete amendment consisting of the substitution of an entire set of rules for the existing set of rules, and bearing at the beginning the words "all previous rules rescinded": T. R. 5.

Registry of amendments.

Every application to register a partial amendment of rules shall be in Form B (p. 506), accompanied by a statutory declaration in Form C (p. 507), and by a printed copy of the existing rules, marked to show where the alterations occur and what they are, and by the following documents:—(*a*) if the partial amendment consists of the addition or substitution of a new rule or rules, or part of a rule or rules, two copies of such new or amended rule or rules, or two copies of the whole of the rules with such new rule or rules printed in *italics* or in such other distinctive form as the registrar may require, each copy being signed by three members and the secretary; (*b*) if the partial amendment consists of the rescission of any of the rules without any substitution, two copies of the resolution for such rescission, each copy being signed by three members and the secretary: T. R. 6. Every application to register a complete amendment of rules shall be in Form D (p. 508), accompanied by a statutory declaration in Form C, and by a printed copy of the existing rules, and by two copies of the new rules, each copy being signed by three members and the secretary. A registrar may refuse to register a partial amendment of rules, and require a complete amendment, if in his opinion the condition of the registered rules renders it expedient, and may also require fair printed copies of rules or amendments of rules for registry: T. R. 7. The registrar may require and receive as an alternative to Form C information in the Form CI (p. 550): T. R. 75. The application for registration of a complete amendment of the rules of a cattle insurance, or benevolent society, or a working man's club, or a specially authorised society under a limited special authority is made on a modified Form D. No fee is payable for the acknowledgment of registry of an amendment of rules except in the case of the majority of specially authorised societies: T. R. 70.

It is to be noticed that the form of application to register a complete amendment of rules (Form D) is almost the same as

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that (Form A) to register a society for the first time under the Act. The application to register an amendment of rules must be sent to the registrar of that part of the United Kingdom in which the society is registered. With the actual approval of registered societies under the N. H. I. A., 1924, the registrars of friendly societies as such is not concerned, but the rules of an approved society or a branch thereof, when approved by the Minister of Health, have to be registered forthwith, but until so registered they have effect as if they had been duly registered: N. H. I. A., 1924, s. 34 (3). Under s. 18 of the N. H. I. A., 1924, an approved society may submit a scheme for substituting additional benefits for sickness and disablement benefit, or either of them, which has effect when confirmed by the Minister of Health. If such a scheme is embodied in an amendment of rules it can be registered, but otherwise there is no provision for registering it as part of the rules.

When proceedings are taken for cancelling registry under s. 73, no application or declaration is required for any amendment of rules which may become necessary in connection therewith: s. 73 (4).

Effect of amendments unregistered.

Registration is necessary to render the alterations in the rules valid; the former Acts required for the validity of the amendments that they should be confirmed by justices and filed (33 Geo. 3, c. 54, s. 3; 10 Geo. 4, c. 56, s. 7), or certified by the registrar (18 & 19 Vict. c. 63, s. 27).

The last sentence of the sub-section seems to impose an obligation on the society to register an amendment, the omission to do which would be an offence under s. 84 (a), but until the amendment is registered it cannot be acted upon, and neither the society nor any of its members can enforce it, their rights and obligations until then being determined by the rules in existence as registered. The amendment takes effect from the date of registration: as to how far an amendment may be made retrospective in its operation, see *infra*.

Trustees elected according to new rules, which had not been confirmed, were held to be not lawfully elected, and unable to maintain an action: *Battey* v. *Townrow* (1814), 4 Camp. 5.

Where a new set of rules was made and by inadvertence had not been confirmed, it was held that they were invalid, but it was considered doubtful whether the old rules remained in force, as they had been abandoned and the new rules had been acted on for over thirty years: *R.* v. *Godolphin* (1838), 8 A. & E. 338. But it was held that the old rules remained in force where

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partial alterations had been improperly made and not confirmed: *R.* v. *Cotton* (1850), 19 L. J. M. C. 233; or even where the alterations had been merely not confirmed: *Re Meredith and Whittingham* (1856), 1 C. B. N. S. 216.

Where the rules provide that before alteration a notice of a certain length must be given, a notice of less length, even if reasonable, is insufficient, and the resolution purporting to effect the alteration is bad: *Orton* v. *Bristow* (1915), 32 T. L. R. 129.

Effect of amendments.

The question frequently arises how far the rights of a member are affected by amendments made in the rules to which he has not expressly assented, so as to deprive him of benefits of which he is in receipt at the date of the alteration or to which he is presumptively entitled under the rules as existing at the time when he joined the society. The cases so arising appear to fall under one of the following heads:—

1. Where the rules of a society contain, as they usually must do, an express power to alter the rules, and the only contract between the member and the society is that contained in the rules when he became a member, he is bound by any subsequent alteration that may be made within the power of alteration whatever the extent of the alteration may be: *Smith* v. *Galloway*, (1898) 1 Q. B. 71; *Dixon* v. *Thompson* (1891), F. S. Cas. 46, and notwithstanding that he became insane and entitled to benefit before the alteration was made: *Burke* v. *Amalgamated Society of Dyers*, (1906) 2 K. B. 583; cf. *Thellusson* v. *Valentia*, (1907) 2 Ch. 1; *Morgan* v. *Driscoll* (1922), 38 T. L. R. 251. This principle is applicable also where the question is of the rights of a branch against the society. Where the rules of a society provided that a branch should give six months' notice of its intention to secede and pay all just dues to the society to the expiration of the notice, and between the giving and expiration of a notice to secede, the society passed a new rule altering the amounts due on secession, the branch was held to be bound by the alteration as it was the rule in force at the date when the amount payable by the branch was to be ascertained: *Gutberlet* v. *Woolgar* (1898), R. C. R. 32.

Where by a rule a member has ceased to be such and became a creditor of the society, a subsequent alteration of the rule cannot revive his membership or affect his rights as a creditor: *Plummer* v. *Bristol Profit-Sharing Money Society* (1918), R. C. R. 8.

A member gave to a society a promissory note with a surety as security for moneys advanced to the member, and it was agreed

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that the note was not to be given up till the contributions by and dividends due to the member (less deductions according to the rules) should amount to the sum advanced; the surety was held not to be discharged by an alteration in the rules: *Birmingham and Midland Money Society* v. *King* (1907), 124 L. T. J. 181.

2. Where the rules contain a power of alteration, but there is superadded a secondary contract, *e.g.*, a policy which provides for benefits therein stated, an alteration of the rules without the member's assent cannot alter the effect of that secondary contract: *Powell* v. *Tokeley* (1906), R. C. R. 134; cf. *Smith's Case* (1875), 1 C. D. 481; unless the member has in the secondary contract agreed to be bound by any alteration of the rules: *Stooke* v. *Mutual Provident Alliance* (1891), Times, Jan. 28; cf. *Wilson* v. *Miles Platting Building Society* (1887), 22 Q. B. D. 381, n.; *Rosenberg* v. *Northumberland Building Society* (1889), 22 Q. B. D. 373; *British Equitable Assurance Co.* v. *Baily*, (1906) A. C. 35.

3. There are some societies founded before August 15th, 1850, which had not in their rules, as originally framed, any power of alteration, though the society may subsequently have passed a rule conferring such a power. In such cases a member who joined the society before the power of alteration was introduced is not affected by an amendment, at any rate so far as it may deprive him of any benefit of which he is in receipt at the date of the amendment: *Souter* v. *Davies* (1895), 15 R. 261; cf. *Harington* v. *Sendall*, (1903) 1 Ch. 921.

(2.) The registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Act, issue to the society an acknowledgment of registry of the amendment, and that acknowledgment shall be conclusive evidence that the amendment is duly registered.

Form. For form of acknowledgment of registry of amendments of rules, see Sched. II. (p. 236). An acknowledgment of registry of amendments to enable a society to carry on industrial assurance business will not be registered until the deposit has been made pursuant to the I. A. A., s. 7 (1) (e) (p. 289).

Fees. No fee is payable for the registration of rules, or amendments of rules, except in the case of most specially authorised societies: sect. 96 (2); T. R. 70A.

Duty of registrar concerning amendments. The duty of the registrar is confined *primâ facie* to considering whether the amendments are bad or not for non-conformity

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with the terms of the Act, and he is not entitled to refuse to register them merely because they are objectionable in substance, *e.g.*, retrospective: *R.* v. *Brabrook* (1893), 69 L. T. 718; see also *Otago Oddfellows* v. *Registrar of Friendly Societies* (1898), 17 New Z. L. R. 6. On the other hand, although the declaration which accompanies the application to register is *primâ facie* evidence that the amendments have been duly made which he may accept and act on, yet, if doubt is suggested, he is entitled to investigate, and if he is satisfied that the alterations have not been duly made, he cannot be compelled to register them: *R.* v. *Pratt* (1865), 6 B. & S. 672; see (1916), R. C. R. 30.

How far acknowledgment is conclusive.

The acknowledgment of registry is conclusive as to the regularity of the proceedings in making the alteration, so that an amendment when registered is valid notwithstanding any informality or irregularity in such proceedings: *Dewhurst* v. *Clarkson* (1854), 23 L. J. Q. B. 247; *Rosenberg* v. *Northumberland Building Society* (1889), 22 Q. B. D. 373; *Re Quinn and National Catholic Benefit and Thrift Society*, (1921) 2 Ch. 318; cf. *Glover* v. *Giles* (1881), 18 C. D. 173; *Montgomery* v. *Fox* (1900), 21 N. S. W. R. (Eq.) 127; but the acknowledgment is not conclusive as to the legality of the rules or amendments so as to preclude the Court from inquiry into the power of the society to make them: *Laing* v. *Reed* (1869), 5 Ch. 4; *Davie* v. *Colinton Friendly Society* (1870), 9 Macph. 96; *Souter* v. *Davies* (1895), 15 R. 261; *Osborne* v. *Amalgamated Society of Railway Servants*, (1909) 1 Ch. 163. Cf. *Carroll* v. *Shillinglaw* (1906), 3 Comm. L. R. (Aust.) 1099. See also s. 11, note.

(3.) The provisions of this Act as to appeals from a refusal to register a society shall apply to a refusal to register an amendment of a rule.

Refusal to register.

For these provisions, see s. 12 (1) and note thereto.

Registry of societies carrying on business in more than one part of the United Kingdom.

14.—(1.) A society carrying or intending to carry on business in more than one part of the United Kingdom shall be registered in the part in which its registered office is situate; but the rules and registered amendments of rules of any such society shall be recorded by the registrars of the other parts, and for that purpose copies

of the rules and amendments shall be sent to those registrars. S. 14.

(2.) Until the rules are so recorded the society shall not be entitled to any of the privileges of this Act in the part of the United Kingdom in which the rules have not been recorded, and until the amendments of rules are recorded they shall not take effect in that part.

In this section, as elsewhere in the Act, the words "part of the United Kingdom" are substituted for "country," wherever the last expression was used in the repealed Acts.

An English assurance company was held to carry on business in Dublin by employing an agent there to obtain insurances for it: *Sheehy* v. *Professional Life Assurance Co.* (1857), 26 L. J. C. P. 301.

A society which having its registered office in England has recorded its rules in Scotland is subject to the jurisdiction of the Court of Session: cf. *Mackendrick* v. *Union of Dock Labourers* (1911), S. C. 83.

Procedure. An application to record in one part of the United Kingdom rules, or amendments of rules, registered in another, shall be made by the secretary or other officer of the society in Form E (p. 509) or F (p. 509), and shall be accompanied by two authenticated copies of such rules or amendments: T. R. 8. As to the meaning of "authenticated," see p. 14. But where the society has been registered before the 1st of January, 1876, and seeks to have its rules recorded in Scotland or Ireland, copies of such rules are sent through the central office to the assistant registrar of the country in which the rules are to be recorded: s. 4 (2). Rules or amendments of rules shall be recorded by writing at the foot or end of each copy the word "recorded," and by affixing to the same the seal of the central office, or the signature of the assistant registrar for Scotland or Ireland, as the case may be: T. R. 9.

The assistant registrars are bound to record any rules or amendments of rules sent to them for record by the central office: s. 4 (3). There is no fee for recording of rules or documents already registered in another country: p. 222.

As to the recording of rules of a society with branches in more than one country, see s. 17 (2).

A society may remove its registered office from one part of the United Kingdom to another, but apparently will continue registered in the former part.

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Registry of dividing societies.

15. A society (other than a benevolent society or working men's club) shall not be disentitled to registry by reason of any rule for or practice of dividing any part of the funds thereof if the rules of the society contain distinct provision for meeting all claims upon the society existing at the time of division before any such division takes place.

The division must provide for all claims on the society as in the case of a voluntary dissolution: cf. s. 78 (1), and this must be provided for in the rules: Sched. I. 9.

Registry of societies assuring annuities.

16. A society assuring a certain annuity shall not be entitled to registry, unless the tables of contributions for the assurance, certified by the actuary to the National Debt Commissioners, or by some actuary approved by the Treasury, who has exercised the profession of actuary for at least five years, are sent to the registrar with the application for registry.

The word "certain" is interpreted by the central office to mean that the annuity is to be certain in amount and also in its nature.

The obligation imposed by this section applies to all societies which assure a certain annuity to any person whatever, and not only to those societies which assure annuities to members.

Workmen's compensation schemes.

If a scheme certified under the Workmen's Compensation Act, 1906, provides for payment of compensation by a friendly society, this section does not apply to such society in respect of such scheme: 6 Edw. 7, c. 58, Sched. I. 21.

For a short history of actuarial certificates as applied to friendly societies, see (1904) R. C. R. 49.

Societies with Branches.

Registry of societies with branches.

17.—(1.) Where a society has branches, the application for registry shall be accompanied with—

(a) a list of all the branches, and notice of the place where the registered office of each branch is situate; and

(b) if any branch is to have trustees or officers authorised to sue and be sued on its behalf, other than

the trustees or officers authorised to sue and be sued on behalf of the society, a list of the names of all such trustees or officers, distinguishing the branches for which they are authorised to sue and be sued; and

(c) if the rules of all the branches (in this Act called branch rules) are or are intended to be identical, a statement to that effect, and copies of those rules; and

(d) if the branch rules are not or are not intended to be identical, a statement to that effect, and copies of all branch rules.

Any of the various classes of societies enumerated in s. 8 may be registered as societies with branches. For the definition of a branch, see s. 106.

As to the application for registry, see s. 9 (2). Every registered branch must have a registered office: s. 24.

It will generally be found more convenient to register the society alone in the first instance, and then to register its branches: s. 18.

Where the majority of an unregistered society with branches determine to register under the Act, a dissentient minority cannot assume to secede and form a new society, but every branch, upon registration, *ipso facto* becomes part of the registered society: *M'Kenny* v. *The Mayor and Corporation of Barnsley* (1894), 10 T. L. R. 533.

In the case of branches, certain of the documents which have to be sent to the registrar have to be forwarded not direct but through an officer of the society of which the branch forms part, who has to be appointed for the purpose: such are notices of change of registered office, s. 24 (2), copies of resolutions appointing trustees, s. 25 (3), and annual returns, s. 27 (4).

The word "branch" does not apply to such "lodges" and "courts" as under F. S. A., 1855 (18 & 19 Vict. c. 63), s. 49, have been registered as separate societies until such registry has been cancelled: see s. 73.

(2.) A society having a fund under the control of a central body to which every branch is bound to contribute may be registered as a single society, and where any such

s. 17, 18. society has branches in more than one part of the United Kingdom the provision of this Act as to the registry of societies doing business in more than one such part shall apply to that society.

entral fund. If there is no such central fund, every branch must be registered as a separate society: see the definition of a branch in s. 106.

Besides contributing to a central fund, a branch must have a fund of its own, and be subject to some control of the central body (s. 106), but what these are to be is left to be defined by the rules of the society and branch.

In an action concerning such a central fund the trustees of the society in whom the central fund is vested are the proper parties to be sued, and the rules of the society are admissible to show the existence and control of this fund: *Crichton* v. *West* (1896), 12 T. L. R. 164.

As to the registry of societies carrying on business in more than one part of the United Kingdom: see s. 14.

stablish-ent of new ranches. **18.**—(1.) There shall be sent under the hand of the secretary of a registered society to the registrar—

(a) notice of the establishment of every new branch of the society; and

(b) notice of the place where the registered office of the branch is situate; and

(c) if the branch is to have trustees or officers authorised to sue and be sued on its behalf other than the trustees or officers authorised to sue and be sued on behalf of the society, a list of the names of such trustees or officers; and

(d) a statement whether or not the rules of the branch are identical with those of the other branches of the society, and, if not so, a copy of the rules of the branch.

(2.) Where the rules of the new branch are not identical with those of the other branches of the society, the society shall not be entitled to any of the privileges of this Act in respect of that branch until that branch has been regis-

tered in the part of the United Kingdom in which the registered office of the branch is to be situate.

Registry of branches.

Every notice of the establishment and application for registry of a branch shall be in Form A*b* (p. 510), signed by the secretary and three members of the branch, and countersigned by the secretary of the society: T. R. 10. There is no fee for the registry of a notice of the establishment of a branch or the rules of the same or any amendment thereof. The omission by a society to notify the establishment and apply for registry of a new branch is an offence under the Act: s. 84.

As to the liabilities of an unregistered branch, see s. 32 (1).

Objects of a branch.

The objects of a branch must be some or all of those of the society itself, it cannot have any object outside those of the society unless it is so provided by the rules of the society.

Rules of a branch.

The matters to be provided for by the rules of a branch are nearly the same as in the case of a society with the addition of provisions for a separate branch fund, the contributions by the branch to a central fund, the control by the central body over the branch and the mode of secession: see Sch. I. and App. (pp. 235, 589). The branch cannot have a separate loan fund: s. 46.

Application of previous provisions t branches.

19. The provisions of this Act as to—

(a) the acknowledgment of registry of societies and amendments of rules; and

(b) appeals from refusals to register societies and amendments of rules and the result thereof; and

(c) the registry of amendments of rules; and

(d) evidence of registry and of the appointment of trustees and officers

shall apply to branches and amendments of branch rules.

For these provisions, see ss. 11, 12 and 13.

The registry of a branch implies registry also of its rules, see ss. 17, 18.

No provision is contained in the Act for a branch to change its name, or to amalgamate with or transfer its engagements to another branch, except s. 70 (5); these matters must therefore be regulated by the society of which the branch is a part. Notice of a change of name, amalgamation or transfer of engagements of

s. 19, 20.

a branch, should at once be given by the society to the registrar, who will make the necessary alterations in the register on a written notice from the secretary of the society, unless it is otherwise provided.

Registry of amendments of branch rules.

An application to register an amendment of branch rules shall be made in Form B*b* (p. 513) or in Form D*b* (p. 514), as the case may require, and may be made by an officer of the society, in which case the statutory declaration in support thereof must be made by the secretary of the branch; or by the secretary of the branch, in which case the statutory declaration must be made by an officer of the society: T. R. 11. The statutory declaration shall be in Form C*b* (p. 515): T. R. 12; or the registrar may require and receive, as an alternative to such declaration, information in Form C*b*I (p. 550): T. R. 75. The object in both cases is to obtain evidence of the concurrence of both the society and the branch in every amendment of branch rules. With the application to register amendments, whether partial or complete, of branch rules must also be sent the like documents as are required to be sent with an application to register amendments of rules of a society, see s. 13, note; as to the effect of not registering amendments of branch rules, see notes to s. 13.

A branch cannot register new rules which would have the effect of separating it into a new society, unless it follows the terms of the rule as to secession: *Schofield* v. *Vause* (1886), 36 W. R. 170, n.

Requisites for registry of branches as societies.

20.—(1.) A body which has been registered as a branch of a society shall not be registered as a society except on production to the registrar of a certificate under the hand of the chief secretary or other principal officer of the society of which it was a branch, that the body has wholly seceded or has been expelled from the society.

Form of certificate.

The certificate of secession or expulsion to be given by the chief secretary or other principal officer under s. 20 of the Act shall be in Form G (p. 515): T. R. 13. The request for a certificate should be made in writing on behalf of the seceding or expelled branch, as such written request may be necessary as the foundation for an appeal against a refusal to grant the certificate.

Where the rules provide that a seceding branch shall make a payment to the district and the amount has been ascertained according to the rules, the Court has no jurisdiction to consider

whether the amount is or is not right in point of calculation: *Hannell* v. *Westrope* (1904), unreported. Where the rules provide that a seceding branch shall pay to the society a sum ascertained to be the liability in respect of benefits to members who have not voted in favour of secession, and the amount has been ascertained on that basis, the branch is liable to pay such amount notwithstanding that members who either voted against secession or not at all subsequently consent thereto: *McCowatt* v. *Allerston* (1921), unreported.

When the certificate must be given.

If the rules of the society as to secession have been complied with, the principal officer of the society is bound to grant the certificate: *Green* v. *Hendry* (1890), Times, May 19; *Re Sheffield Branch of the Order of Druids Friendly Society* (1892), 8 T. L. R. 389; but where a rule makes provision concerning secession, no secession can take place except in the terms of the rule, even though the branch is still registered as a separate society under the former Acts: *Schofield* v. *Vause* (1886), 36 W. R. 170, n.; and so where the secretary of the society refuses to grant the certificate on the ground that the resolution to secede has been improperly passed, and this is proved to be the case, the branch cannot compel him to grant it: *Bolton District* v. *National Independent Order of Oddfellows* (1895), F. S. Cas. 55.

Effect of secession or expulsion.

A branch which has seceded or been expelled must be registered, or else it is in the position of an unregistered society. Where a branch has been expelled from a society, the members of the branch thereby cease to be members of the society, and have no claims on any special fund of the society: *Fisher* v. *Brailsford* (1895), 30 L. J. N. C. 620.

It would seem that the fact that a branch has seceded and been registered as an independent society would not affect the liability of the society or its officers for offences prior to secession.

Approved societies.

The Minister of Health has power to make regulations as to the manner and conditions in and upon which the secession or expulsion of a branch of an approved society in respect of its business under the N. H. I. A., 1924, may be carried into effect, and for the financial adjustments to be made on any such secession or expulsion, and for enabling or requiring an approved society with branches to establish a central fund for the purpose of administering the benefits of any of the members of a branch which may secede or be expelled or cease to be a branch for the purposes of the N. H. I. A., and with respect to payments into or out of any fund so established, and with respect to the

Ss. 20—22.

transfer of any persons for whose benefit the fund is liable to any other branch, and such regulations shall have effect notwithstanding anything contained in any Act regulating the constitution of the society. These matters are regulated by the N. H. I. (Approved Societies) Regulations, 1924, Nos. 127 to 150.

(2.) An appeal shall lie from the refusal of the chief secretary or other principal officer of the society, or his omission after three months from the receipt of a request in writing made on behalf of the body to grant a certificate, to the High Court in England or Ireland or to the Court of Session in Scotland.

Appeal from refusal of certificate.

The appeal may be made by an action for a mandamus to grant the certificate brought in the King's Bench Division, *Green* v. *Hendry* (1890), Times, May 19th; and the jurisdiction of the Court to entertain the action is not affected by s. 68 if there is a rule of the society directing disputes to be referred to arbitration: *Gonskey* v. *Groshoff* (1908), unreported.

For the procedure in an action of mandamus, see R. S. C. Ord. LIII.

Name of seceding or expelled branch.

21. A body which, having been a branch of a society, has wholly seceded or been expelled from that society shall not thereafter use the name of that society or any name implying that it is a branch thereof, or the number by which it was designated as such branch.

This section will, in the majority of cases, prevent a seceding branch of a society from retaining its old name, at any rate in its entirety, for contravention of this section is an offence under the Act: s. 84 (*d*).

Contributions from one society to another.

22.—(1.) A registered society or branch may contribute to the funds and take part by delegates or otherwise in the government of any other registered society or registered branch of a society, as provided in the rules of that first-named society or branch, without becoming a branch under this Act of that other society or branch.

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(2.) This section shall in respect of contributing to the funds and taking part in the government of a medical society, that is to say, a society for the purpose of relief in sickness by providing medical attendance and medicine, extend to any registered trade union or branch of a registered trade union.

(3.) A registered society or trade union or branch shall not withdraw from contributing to the funds of any such medical society except on three months' notice to the society and on payment of all contributions accrued or accruing due to the date of the expiration of the notice.

This section enables the formation of a registered friendly society constituted on a federal basis, which is governed by delegates from the societies and branches composing it, and maintained by contributions from them; the contributing societies are not members or branches of the society to which they contribute, nor are they "persons claiming under the rules," so as to enable a dispute between a contributing society and the federal society to be referred to arbitration under the rules of the latter: *Snell* v. *Vine* (1890), F. S. Cas. 313. No control can be exercised by the federal society over the contributing societies except through the delegates, and the part taken by the delegates in the former society, and the manner in which the contributions are to be made must be regulated by the rules of the society. Unregistered societies and branches or any other body cannot contribute to or take part in a registered friendly society except that a registered trade union or a branch thereof may do so in the case of a medical society, as defined by sub-s. 2.

Medical societies.

A medical society of this kind, existing on December 16th, 1911, may be approved as an institution for the purpose of medical benefit under the N. H. I. A., 1924, s. 24 (4), and in that case it must make such alterations in and additions to its rules as the Minister of Health requires, and not alter or add to its rules affecting the rights of insured persons except with the consent of the Minister.

Investment societies.

A special authority (granted 1st June, 1882) authorised the formation of a society for the express purpose of the receipt of the funds of friendly societies and branches and the investment of the same for their benefit. Societies registered under this authority were formed on the principle allowed by this section, but as the want which was supplied by the formation of such societies is now

Ss. 22—24.

met by s. 44 (2), the authority has been withdrawn, and will not be granted to future societies.

A society may also subscribe to a hospital, infirmary, charitable or provident institution in order to secure to its members the benefit thereof: s. 37 (p. 89).

Sub-s. 3 appears impliedly to confer on a medical society, as defined in sub-s. 2, a right to sue against the society or trade union making the contribution, in spite of the provisions of s. 23 and of the Trade Union Act, 1871 (34 & 35 Vict. c. 31), s. 4. This sub-section only applies to withdrawal from a medical society; the conditions of withdrawal from a society of any other kind must be regulated by the rules of the society.

Consequences of Registry.

Subscriptions not recoverable at law.

23. Save as provided by section thirty-one of this Act, the subscription of a person being or having been a member of a registered society or branch shall not be recoverable at law.

This section, which was first enacted by the F. S. A., 1895, declares in express terms the result of the voluntary nature of a member's subscription to a society or branch: see note to s. 31. A society or branch cannot sue a member for arrears of subscriptions, but fines imposed by the rules are recoverable in a court of summary jurisdiction: s. 91. The rules also must provide for the consequence of non-payment of such subscriptions or fines: Sched. I. 2.

This section does not apply to a society carrying on business under the N. H. I. A., 1924, so far as such business is concerned: see N. H. I. A., 1924, s. 32.

No liability is imposed on a member of an unregistered society: cf. *Re Great Britain Mutual Assurance Society* (1880), 16 C. D. 246, 252.

Registered office.

24.—(1.) Every registered society and branch shall have a registered office to which all communications and notices may be addressed, and shall send to the registrar notice of the situation of that office, and of every change therein.

(2.) In the case of a branch the notice shall be sent to

the registrar through an officer appointed in that behalf by the society of which the branch forms part.

Situation of office.

Notice of the situation of the registered office of a society on first registry shall be deemed to be given by the rules. Every notice of a change in the situation of the registered office of a society or branch shall be sent to the registrar within fourteen days after every such change, in Forms H and H*b* (p. 516) respectively: T. R. 14. There is no fee for registry of notice of change of office. Failure to have a registered office or to give notice of a change are offences under the Act: s. 84.

Societies under former Acts.

The place of business of a society enrolled or certified before the 1st of January, 1876, as stated in the rules thereof, or in any notice of change duly sent to the registrar, shall be deemed to be the registered office of the society until notice of change duly sent, as provided by the Treasury Regulations, is received by the registrar. The registered place of business of a branch shall be deemed to be its registered office until notice of change be duly sent: T. R. 15.

Legal proceedings are sufficiently served on a society or branch or their officers by leaving a true copy thereof at the registered office: s. 94. Offences and penalties may be prosecuted and recovered against a society or branch or an officer thereof in the place where the registered office is: s. 92.

Appointment of trustees.

25.—(1.) Every registered society and branch shall have one or more trustees.

(2.) The trustees shall be appointed at a meeting of the society or branch, and by a resolution of a majority of the members present and entitled to vote thereat.

(3.) The society or branch shall send to the registrar a copy of every resolution appointing a trustee, signed by the trustee so appointed, and by the secretary of the society or branch.

(4.) The same person shall not be secretary or treasurer of a registered society or branch, and a trustee of that society or branch.

(5.) In the case of a branch the copy of the resolution shall be sent to the registrar through an officer appointed

Ss. 25, 26. in that behalf by the society of which the branch forms part.

The trustees must be appointed by the society in general meeting, and not by the committee. An appointment must be made whenever the rules require it, or the number of trustees falls below the minimum specified by the rules. The meeting at which the appointment is made must be duly convened in accordance with the rules, otherwise the appointment would be invalid. "Entitled to vote" means entitled according to the rules of the society. A member who is a minor cannot be a trustee: s. 36 (p. 88).

Procedure. A copy of every resolution appointing trustees of a society or branch shall be sent to the registrar within fourteen days after the date of the meeting whereat such resolution was passed, in Forms I and I*b* respectively (pp. 517, 518): T. R. 16. There is no fee for registry of the appointment of trustees. Failure to give this notice is an offence under the Act, s. 84; but it would not invalidate the appointment of the trustees, as was provided by the earlier Act of 1852 (13 & 14 Vict. c. 115), s. 13: *Beckett* v. *Willetts* (1857), 5 W. R. 622.

The property of the society or branch vests in the trustees thereof: s. 49; but the Public Trustee may be appointed custodian trustee of stocks, shares and securities belonging to a society or branch: see p. 278.

The trustees are the proper persons to sue and be sued, unless other officers are specially appointed for the purpose: s. 94.

New trustees are liable to be sued for the debts of the society incurred before their appointment: *Beckett* v. *Willetts* (1857), 5 W. R. 622.

Audit. **26.**—(1.) Every registered society and branch shall once at least in every year submit its accounts for audit either to one of the public auditors appointed as in this Act mentioned, or to two or more persons appointed as the rules of the society or branch provide.

(2.) The auditors shall have access to all the books and accounts of the society or branch, and shall examine the annual return mentioned in this Act, and verify the annual return with the accounts and vouchers relating thereto, and shall either sign the annual return as found

by them to be correct, duly vouched, and in accordance with law, or specially report to the society or branch in what respects they find it incorrect, unvouched, or not in accordance with law. S. 26.

Accounts.

The rules must provide for the keeping of accounts: Sched. I. 5; and in the case of friendly and cattle insurance societies, separate accounts must be kept of any particular fund or benefit for which separate tables of contributions are adopted, and also of the expenses of management and of contributions in respect thereof: Sched. I. 10. Although the keeping of separate accounts of the contributions in respect of different benefits is a matter of prudence so as to enable them to be actuarially tested, yet there is no legal obligation on a society to keep such separate accounts unless separate tables of contributions in respect of such benefits have been provided. It must be noticed that the obligation to keep separate accounts does not imply that the funds are to be kept separate for the purpose of investment. There are no prescribed forms for such accounts, nor have any model forms thereof been prepared by the central office (except the balance sheet which forms part of the annual return), although the central office is by s. 2 (2) empowered to do so.

Accounts of approved societies.

The books and accounts of an approved society and its branches relating to its State insurance must be kept separate from all other books and accounts of the society or branch: N. H. I. A., 1924, s. 72.

In the case of a collecting society a separate account must be kept of all receipts in respect of its industrial assurance business: I. A. A., s. 8.

The failure to have a yearly audit as prescribed by this section is an offence under the Act: s. 84 (a).

Public auditors.

If the rules do not provide for the appointment of auditors (on the appointment of whom no restriction is placed by the Act), or if none have been appointed in accordance therewith, or if those appointed are unable or unwilling to act, the accounts can only be legally audited by a public auditor, who might also be employed notwithstanding that there are persons duly appointed by the rules as auditors who are capable of acting; but in the case of a collecting society the audit can only be made by a public auditor: I. A. A., s. 15 (2) (p. 301). The appointment of public auditors is provided for by s. 30, and the maximum fees payable to them for the audit are regulated by the conditions of their appointment: see p. 493; in cases where the society has its accounts audited more frequently than once a year, and on each

S. 26.

occasion submits them to a public auditor, it would seem that the prescribed fees would be payable for each such audit, unless the public auditor employed accepted lower terms.

Auditors appointed by rule.

If the audit is not conducted by a public auditor, *i.e.*, a person appointed as such by the Treasury under s. 30, it must be conducted by at least two persons, who must be appointed as the rules provide. An auditor is not necessarily an officer of the society, and *primâ facie* he would not be so: see *Re Western Counties Steam Bakeries and Milling Co.*, (1897) 1 Ch. 617; he is not referred to as such in the Act, and whether he is to be so regarded must seemingly be determined from the rules, *i.e.*, whether he is thereby made an officer of the society: see *Re London and General Bank*, (1895) 2 Ch. 166; *Re Kingston Cotton Mill Co.*, (1896) 1 Ch. 6. The accounts of a collecting society must be audited by a public auditor: I. A. A., s. 15.

Approved societies.

The accounts relating to State insurance of societies approved under the N. H. I. A., 1924, and of their branches, must, when required, be submitted to audit by auditors appointed by the Treasury: N. H. I. A., 1924, s. 72.

Duties of auditors.

Under the section the duty of the auditors is to examine the annual return (defined in s. 27 (1)), verify it with the accounts and vouchers, and either sign it as correct, &c., or report to the society in what respect it is incorrect, &c. This would seem to imply that an auditor is not to confine himself merely to verifying the arithmetical accuracy of the annual return, but is to ascertain that it is properly drawn up, and that the accounts indicated in the return are in accordance with the law relating to the society: cf. *Leeds Estate Building and Investment Co.* v. *Shepherd* (1887), 36 C. D. 787; *Re London and General Bank* (No. 2), (1895) 2 Ch. 673, 682; *Re Republic of Bolivia Exploration Syndicate*, (1914) 2 Ch. 139; *Re City Equitable Fire Insurance Co.*, (1925) 1 Ch. 407.

Liability of auditors.

It would seem that for breach of duty towards a society, *e.g.*, negligence in not discovering the losses caused by the frauds of an officer, the auditor might be sued, but he could plead the statute of limitations against any such claim: see *Leeds Estate Building and Investment Co.* v. *Shepherd* (1887), 36 C. D. 787.

Effect of audit.

Though accounts audited and signed in accordance with the rules and the Act are *primâ facie* evidence in favour of the accounting parties, the accounts may be impeached on the ground of fraud: *Holgate* v. *Shutt* (1884), 27 C. D. 111. The accounts must be audited in accordance with the statute and the rules, but it is open to an accounting party to show that the accounts which have not been regularly audited have been treated as

settled accounts on some other ground: *Holgate* v. *Shutt* (1884), 28 C. D. 111. Ss. 26, 27.

Annual returns.

27.—(1.) Every registered society and branch shall once in every year, not later than the thirty-first day of May, send to the registrar a return (in this Act called the annual return) of the receipts and expenditure, funds, and effects of the society or branch as audited.

(2.) The annual return must—

(a) show separately the expenditure in respect of the several objects of the society or branch; and

(b) be made out to the thirty-first day of December then last inclusively; and

(c) state whether the audit has been conducted by a public auditor appointed as by this Act provided, and by whom, and, if by persons other than a public auditor, state the name, address, and calling or profession of every such person, and the manner in which, and the authority under which, he is appointed.

(3.) The society or branch shall, together with the annual return, send a copy of any special report of the auditors.

(4.) In the case of a branch the annual return shall be sent to the registrar through an officer appointed in that behalf by the society of which the branch forms part.

Form of annual return.

The primary object of annual returns is to ensure that the accounts of all registered societies are properly kept, and there is no doubt that the knowledge that this return has to be sent in signed by two auditors, the secretary, and the treasurer is a valuable protection to the members, the sending of the returns being enforced by prosecution at the instance of the central office without any member having to come forward as informant: (1906), R. C. R. 190. A copy of the form of annual return prescribed by the chief registrar is sent every year to each registered society to be filled up: the annual return cannot be made in any other form. The prescribed form provides for its being authenticated by the signatures of the secretary and one of the trustees

Ss. 27, 28. of the society. A special form of annual return is provided for cattle insurance, benevolent, and specially authorised societies, and working men's clubs.

Under this section it appears to be the duty of the society to send to the registrar the annual return *as audited, i.e.*, either signed by the auditors as correct, &c., or not so signed but accompanied by a copy of the auditors' special report pointing out the incorrectness, &c.

Returns of approved societies.

Approved societies and their branches must render such returns of their State insurance business as the Minister of Health may require, and the provisions of the F. S. A. do not apply to such returns: N. H. I. A., 1924, s. 72. The annual returns of such societies under this Act must not refer to such State insurance business.

Returns of branches.

The annual returns of a society with branches shall include all branches of the society registered under the Act: T. R. 17. The returns of branches are sent to the registrar for the country in which such branches are registered, although the society may be registered in another. The rules of a branch should provide for the sending of the annual return of the branch to the society before some date prior to May 31, so that the society may be able to send it to the registrar before such last-mentioned date.

Penalties for default.

Failure to make a return or wilfully furnishing information in any respect false or insufficient is an offence under the Act, s. 84 (c); the penalty for falsifying a return is prescribed by s. 88. See also as to a collecting society: I. A. A., s. 15 (2). When a society has posted the return to the registrar it has complied with s. 27, notwithstanding that the return is lost in the post, but when the registrar informs the society that the return has not been received, the society becomes liable to send another annual return.

Quinquennial valuation.

28.—(1.) Every registered society and branch shall, except as in this section provided, once at least in every five years either—

(a) cause its assets and liabilities to be valued by a valuer to be appointed by the society or branch and send to the registrar a report on the condition of the society or branch; or

(b) send to the registrar a return of the benefits assured and contributions receivable from all

the members of the society or branch, and of all its funds and effects, debts and credits, accompanied by such evidence in support thereof as the chief registrar prescribes.

(2.) If the society or branch sends to the registrar such report as aforesaid, the report must—

(a) be signed by the valuer; and

(b) state the address and calling or profession of the valuer; and

(c) contain an abstract to be made by the valuer of the results of his valuation, together with a statement containing such information with respect to the benefits assured and the contributions receivable by the society or branch, and of its funds and effects, debts and credits, as the registrar may require.

(3.) If the society or branch sends to the registrar such return as aforesaid he shall cause the assets and liabilities of the society or branch to be valued and reported on by some actuary, and shall send to the society or branch a copy of the report and an abstract of the results of the valuation.

Societies with branches.

The valuation of a society with branches shall include all funds under the control of the central body of such society; a registered branch shall, in respect of the valuation of any fund or funds administered by itself, or by a committee or officers appointed by itself, be subject to the same obligations, and such branch, its officers or committee, shall be liable to the same penalties as if it were a registered society: T. R. 17.

Who may not value.

No valuation of the assets and liabilities of a society or branch shall be deemed to be a valuation under the Act, where the person by whom the same is made (whether a public valuer or not), has audited the accounts of the society or branch for the year next preceding the date at which the society is valued: T. R. 18.

Valuation by actuary appointed by registrar.

Where a society or branch desires that its assets and liabilities shall be valued and reported on by an actuary to be named by the registrar, the return of benefits and contributions, funds and

S. 28. effects, debts and credits, in form prescribed by the chief registrar, shall be accompanied with a fee on the following scale, viz.:—

	£
If the number of members does not exceed 150 ...	10
If over 150 but not exceeding 250	15
„ 250 „ 350	20
„ 350 „ 500	25
„ 500 „ 700	40
„ 700 „ 1000	55

with an additional 25*l.* for every 500 members, or portion thereof beyond 1,000. Where the number of members exceeds 2,500 a special fee shall be fixed by the chief registrar for the valuation: T. R. 19.

If the registrar causes the assets and liabilities of a society or branch to be valued and reported on by the actuary attached to the central office, the fee to be received for the same shall be paid into His Majesty's Exchequer; but if by any other actuary, three-fourths only of the fee, as per Regulation 19, shall be paid to such actuary, and the remaining one-fourth into His Majesty's exchequer: T. R. 20.

A copy of the last valuation must be exhibited at the society's office: s. 29.

As to the societies which are exempt from valuation, see sub-ss. 4 and 5, *infra*.

Default in making valuations.

A society (not exempted from valuation) commits an offence under the Act if it fails to make a valuation or send to the registrar any document required by this section to be sent, or makes any return in any respect false or insufficient: s. 84. Where a society has been suspended for default in making a valuation, a fee is payable for the registry of the valuation (p. 221).

Where a rule of a society provided that the surplus disclosed by the quinquennial valuation might, by resolution passed at a general meeting, be distributed by way of free policies or bonuses, or in such other manner as the actuary should certify might, with perfect safety, be done, it was held that a resolution to transfer a sum out of the actuarial surplus to the fund for providing pensions on retirement for those engaged in the active service of the society was not *ultra vires* the society, as it was not prohibited either by the Act or the rules of the society: *Kirsopp* v. *Highton* (1911), 28 T. L. R. 129.

Approved societies.

Approved societies and every branch thereof must have their assets and liabilities relating to State insurance valued under

the N. H. I. A., 1924, the provisions of which as respects such business are substituted for the provisions of the F. S. A.: N. H. I. A., 1924, ss. 72, 74.

Collecting societies are subject to the provisions as to valuations contained in the I. A. A., s. 18. Collecting societies.

(4.) Provided that this section shall not apply to—

(a) a benevolent society, working-men's club, cattle insurance society or branch thereof; or

(b) a specially authorised society or branch unless it is so directed in the authority for registering that society or branch.

(5.) Provided also that the chief registrar may, with the approval of the Treasury, dispense with the provisions of this section in respect of societies or branches to whose purposes or to the nature of whose operations he may deem those provisions inapplicable.

Exemption from valuation.

The chief registrar has obtained the approval of the Treasury to dispense with valuation in the case of societies and branches which consist wholly of persons under twenty-one years, or depend for their maintenance on levies or periodically divide their funds, and in the case of deposit friendly societies and branches, and of societies with a few or only juvenile members, or registered solely for the purposes of s. 8 (1), (c) or (e), or providing only medical attendance and relief. Special application to the chief registrar for exemption is necessary, and such exemption is only granted for a single valuation period, and has to be renewed before a second period has expired.

Specially authorised societies, except those registered under authorities Nos. 13 and 15 (p. 29), are not subject to the provisions of this section. Such provisions, however, would appear inapplicable to societies under these authorities.

No fee is payable for the exemption from valuation except in the case of a dividing society, when the fee is 2*l.*: see p. 220.

Copy of last balance sheet.

29. Every registered society and branch shall keep a copy of the last annual balance sheet, and of the last quinquennial valuation, together with any special report

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of the auditors, always hung up in a conspicuous place at the registered office of the society or branch.

A similar provision is contained in the Building Societies Act, 1874 (37 & 38 Vict. c. 42), s. 40.

Failure to comply with this section is an offence under the Act: s. 84.

Public auditors and valuers.

30.—(1.) For the purpose of audits and valuations to be made under this Act the Treasury may appoint public auditors and valuers and may determine the rates of remuneration to be paid by societies and branches for the services of those auditors and valuers; but the employment of those auditors and valuers shall not be compulsory.

(2.) The Treasury may out of money to be provided by Parliament pay to the public auditors and valuers such remuneration (if any) as the Treasury may allow.

For the conditions upon which public auditors are appointed and the instructions to public valuers, see Appendix, Parts II. and III. (pp. 493, 497).

Registered cattle insurance and other societies.

31.—(1.) The rules of a registered cattle insurance society or branch, and of such specially authorised societies or branches thereof as the Treasury may allow to take the benefit of this section, shall bind the society or branch and the members thereof, and all persons claiming through them respectively, to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were in the rules contained a covenant on the part of himself, his heirs, executors, and administrators, to conform to the rules subject to the provisions of this Act.

"Persons claiming through a member" includes the nominees of a member, where nomination is allowed: s. 106.

Contributions to a society being "voluntary" (s. 8) cannot be sued for as a debt: s. 23. A rule giving the society power to sue for arrears would be contrary to the Act; this section, however, confers on cattle insurance societies, and certain specially autho-

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rised societies, the power of suing for arrears. The section makes any money due under the rules a specialty debt: in the event of a member's bankruptcy the society could prove for all moneys payable by him to the society. The power of a member to sue a society for moneys payable to him arises from the contract between him and the society contained in the rules: s. 13, note. The societies registered under the special authorities 1, 4, 6, 13 and 15 (pp. 28, 29) are allowed to take the benefit of this section.

Covenant by members.

In the case of those societies to which this section applies, it makes the rules equivalent to a deed of covenant signed by all the members, but the Act does not say with whom the covenant is entered into. On the similar section relating to companies (Companies Act, 1862, s. 16, now Companies (Consolidation) Act, 1908, s. 14) there have been varying statements by learned judges, some of them saying that the covenant is with the company, and some that it is with both the company and the shareholders. According to the view of Stirling, J., the rules constitute a contract not merely between the members and the society, but between each individual member and every other: see *Wood* v. *Odessa Waterworks Co.* (1889), 42 C. D. 636, 642; whilst, according to Lord Herschell's opinion, the rules constitute a contract between each member and the society, and there is no contract in terms between the individual members of the society; but the rules none the less regulate the rights of the members between themselves, and such rights can only be enforced by or against a member through the society, and no member has as between himself and another member any right beyond the contract with the society (*i.e.*, the rules): see *Welton* v. *Saffery*, (1897) A. C. 299, 315. Farwell, L. J., cites the statement of Stirling, J., above referred to with approval, subject to the observation that it might well be that the Court would not enforce the covenant as between individual members in most cases: see *Salmon* v. *Quin and Axtens*, (1909) 1 Ch. 311, 318; *Hickman* v. *Kent or Romney Marsh Sheepbreeders' Association*, (1915) 1 Ch. 881.

(2.) All sums of money payable by a member to such society or branch as aforesaid shall be deemed to be a debt due from the member to the society or branch, and shall be recoverable as such in the county court of the district in which the member resides.

Recovery

The word member must be read as including past members as

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of moneys payable by members.

well as present, and the sub-section gives the county court jurisdiction to entertain an action for the recovery of moneys payable by a member, even though the amount thereof is in excess of the ordinary jurisdiction of the Court: *Gwendolen Freehold Land Society* v. *Wicks*, (1904) 2 K. B. 622; but at the same time the jurisdiction of the High Court is not excluded. In any proceedings taken in the county court under this sub-section, the general practice of the county court prescribed by the rules shall apply: C. C. R., Or. 50, r. 36.

The rules of a specially authorised loan society provided that all disputes should be settled by a magistrate, and that all sums of money claimed against a member or society might be sued in the county court or any court whatever; and it was held that the second provision was *ultra vires* as too wide, and that the jurisdiction affecting sums of money payable by a member was limited to the county court: *Finnigan* v. *M'Geehan* (1913), 47 Ir. L. T. R. 278; but the jurisdiction of the High Court was not ousted in an action brought against societies only to recover the balance of a loan advanced on a joint and several promissory note by the member and the societies where the sum sued for was in respect of loan only irrespective of fines, levies, &c.: *M'Donagh* v. *Calvert* (1914), 48 Ir. L. T. R. 35.

Privileges of Registered Societies.

Exception of societies from corresponding Societies Acts, &c.

39 Geo. 3, c. 79.

57 Geo. 3, c. 19.

32.—(1.) A registered society or branch or a meeting of a registered society or branch shall not be affected by any of the provisions of the Unlawful Societies Act, 1799, or of the Seditious Meetings Act, 1817, if in the society or branch or at the meeting no business is transacted other than that which directly and immediately relates to the objects of the society or branch as declared in the rules thereof; but the society or branch and all officers thereof shall, on request in writing by two justices of the peace, give to such justices full information of the nature, objects, proceedings, and practices of the society or branch.

(2.) If the society or branch when so required fails to give such information as aforesaid, the provisions of those Acts shall, so far as applicable, be in force in respect of the society or branch.

Registered societies and branches are exempt from the provisions of the Unlawful Societies Act, 1799 (39 Geo. 3, c. 79), and the Seditious Meetings Act, 1817 (57 Geo. 3, c. 19), so long as their business and meetings are concerned with no other business than is provided for by the registered rules. Under these Acts any society which requires its members to take any oath or subscribe or assent to any test or declaration not required or authorised by law, or the names of whose members or officers are not known to the society at large, or which is composed of different branches acting separately, is to be deemed an unlawful combination, and penalties are imposed upon persons guilty of any such unlawful confederacy; persons permitting meetings of such a society are subject to penalties, and the licence of a public-house where a meeting of any such society is held may be declared to be forfeited.

Though trade unions having branches and appointing delegates come within the scope of these Acts and are not expressly exempted therefrom by any subsequent Acts, their existence has been recognised by the Legislature in Acts relating to trade unions, and they must be deemed to be impliedly exempt from the provisions of these Acts: *Luby* v. *Warwickshire Miners' Association*, (1912) 2 Ch. 371. The principles of this decision would appear to apply to unregistered friendly societies and branches which have been recognised in this and other statutes in a manner inconsistent with their criminality.

Power of a constable to enter licensed premises.

In the case of a branch of a friendly society holding a secret meeting in a hired room at a public-house, the owner of the public-house could not be convicted of having refused to admit a police-constable demanding to enter the premises under the Licensing Act, 1874 (37 & 38 Vict. c. 49), s. 16, unless it could be shown that the constable in demanding admission had reasonable ground for suspecting that some violation of the Licensing Acts was taking place or was about to take place thereon: *Duncan* v. *Dowding*, (1897) 1 Q. B. 575. In this case, however, the Court did not decide the question whether the licensed person could be convicted because the occupiers of a private room, over whom he he had no control, refused to admit the constable.

Exemptions from stamp duty.

33. Stamp duty shall not be chargeable upon any of the following documents:—

(a) Draft or order or receipt given by or to a registered society or branch in respect of money payable by virtue of its rules or of this Act;

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(b) Letter or power of attorney granted by any person as trustee for the transfer of any money of a registered society or branch invested in his name in the public funds;

(c) Bond given to or on account of a registered society or branch or by the treasurer or other officer thereof;

(d) Policy of insurance or appointment or revocation of appointment of agent or other document required or authorised by this Act or by the rules of a registered society or branch.

This section, first enacted in this form by the F. S. A., 1895, is substantially the same as that in the Act of 1875, but with the exemptions more clearly defined.

Cheques.

Cheques drawn upon a banker by or on behalf of the society fall within the exemption, provided that they are in a form which insures they will be used only for the internal purposes of the society, and not be put into general circulation. A bond conditioned for the production of a box containing the subscriptions of a society need not be stamped: *Carter* v. *Bond* (1803), 4 Esp. 253. A receipt discharging a mortgage to a society and endorsed thereon is exempt from duty, as it is a document authorised by the Act: see *Old Battersea and District Building Society* v. *Inland Revenue Commissioners*, (1898) 2 Q. B. 294.

Documents not exempt.

This section does not exempt from duty a deed transferring to the trustees of a society a mortgage on which the funds of a society are invested: *Re Royal Liver Friendly Society* (1870), L. R. 5 Ex. 78; nor, it would seem, a receipt for rent given to a tenant by a society when mortgagee in possession: see *Attorney-General* v. *Phillips* (1871), 24 L. T. 832; or a receipt by a society as mortgagee for the interest on money of the society invested on mortgage.

Specially authorised societies are not generally entitled to the privilege of this exemption; the exceptions are societies under special authority No. 1, which have a rule prohibiting any division of profits (p. 247), and societies under special authorities Nos. 13 and 14 (p. 29).

Exemption of societies from income tax.

By the Income Tax Act, 1918 (8 & 9 Geo. 5, c. 40), s. 39, a registered friendly society which is precluded by Act of Parliament or by its rules from assuring to any person a sum exceeding 300*l.* by way of gross sum, or 52*l.* a year by way of annuity,

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is entitled to exemption from tax under Schedules A, C and D, and an approved society and any branch of such society is entitled to exemption in respect of income derived from funds or credits relating to its State insurance business in addition to any other exemptions.

It would also seem that a friendly society which in any year could establish a claim to relief from income tax by reason of its income not exceeding 160*l.* would be entitled to claim that land tax should not be collected in that year on land of which it was in possession as mortgagee: see Finance Act, 1898 (61 & 62 Vict. c. 10), s. 12; Finance (No. 2) Act, 1915 (5 & 6 Geo. 5, c. 89), s. 21 (5).

Exemption from corporation property duty.

The Customs and Inland Revenue Act, 1885 (48 & 49 Vict. c. 51), s. 11 (4), imposes a duty on the annual value, income, or profits of all real and personal property which belongs to or is vested in any body corporate or unincorporate, but exempts from such duty "the property of any friendly society established according to Act of Parliament." It seems doubtful whether societies registered under this Act, other than friendly societies as defined by this Act, can claim the benefit of the exemption, but the Act also exempts from such duty "property which or the income or profits whereof shall be legally appropriated and applied for any purpose connected with any religious persuasion or for any charitable purpose or for the promotion of education, literature, science or the fine arts," and this would appear to apply to benevolent societies and certain specially authorised societies. For the principle of the assessment under this last-mentioned section, see *Re Surrey County Cricket Club*, (1901) 2 K. B. 400.

A society not established or conducted for profit which is established solely or partly for the purpose either (i) of promoting the interest of the industry of agriculture (which includes horticulture and live stock breeding), or (ii) of promoting graphic art, sculpture or arts craftsmanship, is entitled to relief from entertainment duty under the Finance (New Duties) Act, 1916, s. 1, in respect of an entertainment provided by the society which consists solely (i) of an exhibition of the products of the industry for promoting the interests of which the society exists, or materials, machinery appliances or foodstuffs used in the production of these products; or (ii) of an exhibition of works of graphic art sculpture and arts craftsmanship, or of one or more of such classes of work executed and exhibited by persons who practice graphic art sculpture or arts craftsmanship for profit

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and as their main occupation: Finance Act, 1923, s. 11. See also Finance Act, 1924, s. 6 (4).

Exemption from income tax is allowed in respect of income derived from investments or deposits of a superannuation fund, and any sum paid by an employer or employed person by way of contribution towards such fund is exempted from assessment under Case I. or II. of Schedule D or under Schedule E: Finance Act, 1921, s. 32.

An agricultural society, *i.e.*, any society or institution established for the purpose of promoting the interests of agriculture, horticulture, live stock breeding or forestry, is exempt from income tax in respect of any profits or gains arising to the society from an exhibition or show held for the purposes of the society if they are applied solely for the purposes of the society: Finance Act, 1924 (14 & 15 Geo. 5, c. 21), s. 23.

Unregistered societies.

By the Income Tax Act, 1918 (8 & 9 Geo. 5, c. 40), s. 39 (1), an unregistered friendly society whose income does not exceed 160*l.* is entitled to exemption from income tax. With the foregoing exception it would seem that an unregistered friendly society is not exempt from income tax or corporation property duty unless it could properly claim exemption on other grounds: see *Incorporation of Tailors in Glasgow* v. *Commissioners of Inland Revenue* (1887), 24 Sc. L. R. 516; *Re Linen and Woollen Drapers, &c. Institution* (1887), 58 L. T. 949.

Transfer of stock standing in name of trustee.

34.—(1.) In any of the following cases, namely:—

(i.) where a person being or having been a trustee of a registered society or branch, and whether appointed before or after the registry thereof, in whose name any stock belonging to that society or branch transferable at the Bank of England or Bank of Ireland is standing, either jointly with another or others, or solely—

(a) is absent from the British Islands; or

(b) becomes bankrupt or files any petition or executes any deed for liquidation of his affairs by assignment or arrangement, or for composition with his creditors; or

(c) becomes lunatic or is dead; or

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(d) has been removed from his office of trustee; or

(ii.) if it is unknown whether such person is living or dead,

the chief registrar may, on application in writing from the secretary and three members of the society or branch, and on proof satisfactory to him, direct the transfer of the stock into the names of any other persons as trustees for the society or branch.

(2.) The transfer shall be made by the surviving or continuing trustees, or if there is no such trustee, or if the trustees refuse or are unable to make the transfer, and the chief registrar so directs, then by the Accountant General or Deputy or Assistant Accountant General of the Bank of England or Bank of Ireland, as the case may be.

(3.) The Bank of England and the Bank of Ireland are hereby indemnified for anything done by them or any of their officers in pursuance of this section against any claim or demand of any person injuriously affected thereby.

This section only applies to stock transferable at the Bank of England or Bank of Ireland. It does not empower the registrar to appoint a trustee of a society, but enables him to facilitate dealing with the investments of a society whenever it has become difficult or impossible to do so by reason of the absence or incapacity of a trustee in whose name the stock stands.

Procedure.

Every application to the chief registrar to direct a transfer of stock shall follow as near as may be Form J (p. 518), and shall be accompanied by a statutory declaration in Form K (p. 520), or as near thereto as the facts admit, and by the certificate (if any) of the stock in respect of which the application is made: T. R. 21. Before making the application the society or branch shall submit to the chief registrar for examination a draft copy on foolscap paper, written on one side only, of the proposed application and declaration: T. R. 22. The chief registrar, before directing the transfer, may require such further proof of any statement in the application as may seem to him to be necessary: T. R. 23. The chief registrar shall give his direction

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to transfer in Form L (p. 521), so framed in each case as to suit the particular circumstances: T. R. 24.

The direction to transfer is in the discretion of the chief registrar. The fee is 2*l.* (p. 220); no stamp thereon is necessary: s. 33.

For the meaning of "British Islands," see note to s. 108.

Priority on death, bankruptcy, &c. of officer.

35.—(1.) In the following cases, namely—

(a) upon the death or bankruptcy of any officer of a registered society or branch having in his possession by virtue of his office any money or property belonging to the society or branch; or

(b) if any execution, attachment, or other process is issued, or action or diligence raised against any such officer or against his property,

his heirs, executors, or administrators, or trustee in bankruptcy, or the sheriff or other person executing the process, or the party using the action or diligence respectively shall, upon demand in writing of the trustees of the society or branch, or of any two of them, or of any person authorised by the society or branch, or by the committee thereof, to make the demand, pay the money, and deliver over the property to the trustees of the society or branch in preference to any other debt or claim against the estate of the officer.

(2.) In this section the expression "bankruptcy" shall include liquidation of a debtor's affairs by arrangement in England, cessio bonorum of a debtor in Scotland, and a petition for arrangement with creditors in Ireland; and the expression "trustee in bankruptcy" shall include a judicial factor in Scotland, and an assignee in Ireland.

Priority of society.

This section is in substance a continuation of the similar provision in the older Acts (33 Geo. 3, c. 54, s. 10; 18 & 19 Vict. c. 63, s. 23). The Act does not expressly provide for a trustee ceasing to be such upon becoming bankrupt or insolvent, it merely gives the society a preferential claim against his estate in case he have in his hands money or property belonging to it.

This priority is expressly saved by the Bankruptcy Act, 1914 (4 & 5 Geo. 5, c. 59), s. 33 (9); and is not affected by the fact of the bankrupt being himself interested in the moneys of the society: *Ex p. Crowley* (1837), 2 Deac. 555.

Out of wha property.

The trustees of a registered friendly society are entitled to payment out of the assets of a bankrupt treasurer of all moneys due from him as treasurer to the society in preference to all debts or claims against his estate, although he has no money or other property specifically belonging to the society in his possession: *Re Atkins* (1882), 51 L. J. Ch. 406; *Re Miller*, (1893) 1 Q. B. 327; and notwithstanding that he ceased to be treasurer before the bankruptcy occurred: *Re Eilbeck*, (1910) 1 K. B. 136. Whether this preference would prevail against the Crown, *quære:* per M. R., *Ex p. the Amicable Society of Lancaster* (1801), 6 V. 98. Where the officer had a partner in trade and both became bankrupt the preference of the society was confined to the separate estate of its own officer: *Ex p. Appach* (1840), 1 Mont. D. & D. 83. Cf. *Ex p. Riddell* (1842), 3 Mont. D. & D. 80.

In respect of what persons.

This preferential right of friendly societies against other creditors applies only in the case of officers duly and formally appointed. For the definition of officers, see s. 106. It does not apply in the case of a person or persons to whom money of a society has been paid as a banker: *Ex p. Orford* (1852), 1 D. M. & G. 483; *Ex p. Whipham* (1844), 3 Mont. D. & D. 564; even though appointed by the rules of the society: *Ex p. Harris* (1845), 14 L. J. Bk. 25; nor to an incorporated banking company so as to entitle the society to priority in the winding-up: *Re West of England and South Wales District Bank* (1879), 11 C. D. 768. Similarly, a person in the habit of receiving the money of a society, no treasurer having been appointed, upon notes carrying interest, is not an officer of the society so as to entitle the society to preference: *Ex p. Ashley* (1801), 6 V. 441; *Ex p. Ross* (1802), 6 V. 802. There is no preference in the bankruptcy of an officer who has received moneys belonging to a society if he is not according to the rules the proper person to have received them: *Ex p. Buckland* (1818), Buck, 214; *Ex p. Fleet* (1850), 19 L. J. Bk. 10; *Re Aberdein* (1896), W. N. 154.

In respect what office

This preference applies only to debts arising from moneys in the hands of officers by virtue of their office, and independent of contract, and not to debts due from them as individuals. It does not apply to money left in the treasurer's hands after ceasing to be treasurer upon his security: *Ex p. the Amicable*

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Society of Lancaster (1801), 6 V. 98; or to money lent to a treasurer on the security of a promissory note: *Ex p. Stamford Friendly Society* (1808), 15 V. 280; *Ex p. Long Ashton Junior Friendly Society* (1861), 5 L. T. 370. But where on the appointment of a treasurer of a friendly society it was agreed that of the funds then in hand she was to pay interest for 120*l.*, it was held that this was not to be considered as a loan to her, but that it was in her hands and possession by virtue of her office as treasurer, within the meaning of 4 & 5 Will. 4, c. 40, s. 12 (which was similar to this section), and that on her bankruptcy her assignees were bound to pay over the amount to the society: *Ex p. Ray* (1839), 3 Deac. 537. So, too, moneys properly received by the financial secretary of a society, although he ought to have handed them over at once to the treasurer, are in his possession by virtue of his office, so as to entitle the society on the secretary's bankruptcy to priority over his other creditors: *Re Welch* (1894), 63 L. J. Q. B. 524. See also *Ex p. Buckland* (1818), Buck, 214; *Ex p. Riddell* (1842), 3 Mont. D. & D. G. 80.

Demand in writing.

The service of a bill in the Court of Chancery to compel payment of what is due from the assignees of a treasurer is a demand in writing within the statute (18 & 19 Vict. c. 63): *Absolum* v. *Gething* (1863), 32 L. J. Ch. 786.

Whether right can be lost.

A society does not, by want of diligence in examining the accounts of the society, lose its claim to priority over the other creditors of a defaulting officer: *Absolum* v. *Gething* (1863), 32 L. J. Ch. 786; *Moors* v. *Marriott* (1878), 7 C. D. 543. In another case, a treasurer of a society, having a debt due to him from a person who offered a security, took a security in the name of the society, and retained the amount of his debt out of the society's moneys in his hands; some time afterward he became bankrupt, having in the meanwhile debited himself annually in his accounts with the society with the interest on the amount for which the security was taken; the security proved insufficient, and was not of the description or taken in the manner required by the Friendly Societies Act then in force, but the omission on the part of the society to take steps for setting aside the transaction, and calling in the money before bankruptcy, did not deprive them of their statutory right to be paid in full before the other creditors: *Ex p. Burge* (1841), 10 L. J. Bk. 30. But where a society had omitted to obtain from its treasurer before he entered on his office a bond as required by the rules of the society and the Act (see s. 54), it was held by a county court that this neglect was, on the bankruptcy of the treasurer,

fatal to the society's claim to be paid in priority to the other creditors: *John o' Gaunt Lodge* v. *Bell* (1883), F. S. Cas. 67. On the similar provision in the Act of 1793 (33 Geo. 3, c. 54), Lord Eldon said, "If these societies expect the benefit of that very liberal, and perhaps more liberal than just, provision of the legislature in their favour, that all creditors, however meritorious, shall be sacrificed to their demand, it is their business to take the protection given them in the mode, in which it is directed, by appointing a treasurer and making him give security according to the Act": *Ex p. Ross* (1802), 6 V. 802; cf. *Ex p. Haynes* (1844), 13 L. J. Bk. 12.

Statutory provisions giving a preference to particular creditors are against common right, and must be strictly construed: *Ex p. Fleet* (1850), 19 L. J. Bk. 10; *Re Aberdein* (1896), W. N. 154.

Members[illegible] of minors

36.—(1.) The rules of a registered society or branch may provide for the admission of a person under twenty-one years of age as a member.

The words "but above one year of age" which in the F. S. A., 1896, preceded the words "as a member" were repealed by the F. S. A., 1908, s. 2 (1); so that the rules of a society may now provide for the admission of minors of any age as members, and the rules of existing societies which provide for the admission as members of persons from the age of one year are to be construed as providing for the admission of members from birth: F. S. A., 1908, s. 2 (2). The object of the amendment was to put friendly societies on the same footing as industrial assurance companies with regard to the insurance of children so that insurances on the lives of children under one year of age are no longer necessarily limited to funeral expenses only, but that where such a child can be and is made a member of the society, the amount of the insurance is limited only by s. 62.

Juvenile societies.

Prior to the F. S. A., 1895, only minors over sixteen might be members of a society with rights qualified as in this section, but provision was made for the formation, subject to Treasury regulations, of juvenile societies consisting wholly of members of any age under sixteen but over three years of age. Since January 1st, 1896, when any society might have minor members over one year of age if the rules so provided, juvenile societies became on the same footing as adult societies, and provision was made (see s. 70 (5)) for the amalgamation of the then existing juvenile societies with adult societies. Juvenile societies which

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(2.) Any such member may, if he is over sixteen years of age by himself, and if he is under that age by his parent or guardian, execute all instruments and give all acquittances necessary to be executed or given under the rules, but shall not be a member of the committee, or a trustee, manager or treasurer of the society or branch.

Approved societies.

Any member of an approved society who is a minor may execute all instruments and give all acquittances necessary to be executed or given under the rules of such society, but shall not be a member of the committee or a trustee, manager or treasurer of such society or any branch thereof: N. H. I. A., 1924, s. 47. It is to be noticed that this last provision does not empower the parent or guardian of a minor member to act on his behalf.

The power of a member who is a minor to nominate sums payable by a society on his death is confined to those who are not under sixteen: s. 56.

Extent of powers of minors.

Although this sub-section authorises a minor to do everything *necessary* in relation to his membership as if adult, it does not authorise him to do that which is not necessary and which he cannot legally do, *e.g.*, to borrow money from the society and contract for the repayment thereof and give security, that being expressly forbidden by the Infants Relief Act, 1874: see *Nottingham Permanent Building Society* v. *Thurstan*, (1903) A. C. 6. The sub-section does not appear to empower a minor member, either by himself or anyone else, to assent to a special resolution of a society: see s. 70 (3). But the I. A. A., s. 26 (1), impliedly authorises the parent or other guardian of an infant member of a collecting society to consent to a transfer of the infant from such society to another collecting society, or an industrial assurance company.

Persons to exercise powers.

The sub-section empowers a minor member over sixteen years of age to do certain acts by himself, but as an infant cannot appoint an attorney or agent, none of these acts can be done by anyone on his behalf: cf. *Rudd* v. *James*, (1896) 2 Ch. 554.

In the case of a minor member under sixteen years of age, the sub-section empowers his parent or guardian to do these acts on his behalf. If both parents are alive, it is not clear whether either of them might act on behalf of the child, but having regard

to the common law right of a father to the custody of his children even against the mother, it would seem that the power given by this sub-section ought to be exercised by the father alone. The only person other than a parent who can act on behalf of a minor member under sixteen years of age is his guardian, who may be appointed by the father by deed or testament, or by the mother by deed or testament, or by the Court. Where two or more persons are guardians the concurrence of all of them seems necessary, though where the mother is one of joint guardians it would seem that she as a parent could act alone under this sub-section. No person other than a parent or guardian can exercise the power under this sub-section, nor can a parent or guardian delegate the power to anyone else.

In the case of a minor member under sixteen years of age who is illegitimate the power cannot be exercised by his mother or putative father, but only by a guardian appointed by the Court.

Subscription to hospitals.

37. A registered society or branch may subscribe out of its funds to any hospital, infirmary, charitable or provident institution, any annual or other sum which may be necessary to secure to members of the society or branch and their families the benefits of the hospital, infirmary, or other institution, according to its rules.

The power conferred by this section seems to be independent of the rules of a society, though it might be restricted by them: the Act does not restrict the subscription to be drawn from any particular fund of the society, though where the society has more funds than one, it would be advisable to provide by rule out of which fund subscriptions of this kind shall be paid.

Approved societies.

An approved society may make such subscriptions or donations as it thinks fit to hospitals, dispensaries, and other charitable institutions, or for the support of district nurses, and may appoint nurses for the purpose of visiting and nursing insured persons: N. H. I. A., 1924, s. 26.

Medical officer of a society.

The Medical Act, 1858 (21 & 22 Vict. c. 90), s. 36, enacts that no person shall hold any appointment as a physician, surgeon, or other medical officer to any friendly or other society for affording mutual relief in sickness, infirmity, or old age, unless he be registered under that Act.

Liability of society for medical officer.

Where one of the objects of a society was the providing efficient medical attendance and medicine for sick members and for the wives and children of members, it was held by the county court

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that the society had fulfilled its part of the contract by securing the services of a fully qualified medical man, and it was not liable for the consequences of his neglect: *Barnes* v. *Lincoln Oddfellows' Medical Association Friendly Society* (1895), 99 L. T. J. 217; cf. *Hillyer* v. *Governors of St. Bartholomew's Hospital,* (1909) 2 K. B. 820.

Right of society against medical officer.

A society formed for the purpose of supplying medical attendtance to the members of societies affiliated with it is entitled to sue a medical officer appointed by it upon a covenant by him not to practise in the neighbourhood of the town where the society is established upon the termination of his appointment: *Everton* v. *Longmore* (1899), 15 T. L. R. 356.

Rights of Members.

Right to supply of copies of the rules.

38. Every registered society and branch shall deliver to every person on demand, on payment of a sum not exceeding one shilling, a copy of the rules of the society or branch.

The only genuine copies of a society's rules are copies of the rules as registered, and if the accuracy of any copy is questioned, reference must be made to the register or a sealed copy.

Neglect or refusal to deliver a copy of the rules when demanded is an offence under the Act (s. 84), and delivery of untrue or imperfect copies with intent to mislead or defraud is a misdemeanour: s. 87. This section is re-enacted as regards collecting societies by the I. A. A., s. 9 (3), with the result that a collecting society is liable for breach of this provision to the higher penalties imposed by the I. A. A., s. 39 (1).

Right to supply of copies of annual return.

39. Every registered society and branch shall supply gratuitously to every member or person interested in its funds, on his application, either—

(a) a copy of the last annual return of the society or branch; or

(b) a balance sheet or other document duly audited containing the same particulars as to the receipts and expenditure, funds, and effects, of the society or branch as are contained in the annual return.

Similar provisions for supplying to members copies of annual

returns are contained in the Trade Union Act, 1871 (34 & 35 Vict. c. 31), s. 16; the Building Societies Act, 1874 (37 & 38 Vict. c. 42), s. 40; and the Industrial and Provident Societies Act, 1893 (56 & 57 Vict. c. 39), s. 15.

Failure to supply on application a balance sheet or a copy of such annual return is an offence under the Act: s. 84.

Person interested.

The Act does not contain any definition of the expression "person interested in a society's funds"; the expression clearly includes persons assured with the society, or entitled to relief, annuity, or other benefit from the funds: see s. 70 (3); it might be contended that it also included a creditor, but *quære*, as a creditor would be more properly described as having a "claim against" rather than an "interest in" the funds of a society.

Inspection books by members.

40. A member or person having an interest in the funds of a registered society or branch may inspect the books at all reasonable hours at the registered office of the society or branch, or at any place where the books are kept, except that the member or person shall not, unless he is an officer of the society or branch, or is specially authorised by a resolution of the society or branch to do so, have the right to inspect the loan account of any other member without the written consent of that member.

Books.

The expression "books" is not limited in any way or confined to books of account; in a collecting society inspection may be had of the collectors' books: *Moffatt* v. *Taunton* (1891), 26 L. J. 716.

Right to t copies.

The right to inspect seems to include a right to take copies: *Mutter* v. *Eastern and Midlands Railway Co.* (1888), 38 C. D. 92; *Nelson* v. *Anglo-American Land Mortgage Agency Co.*, (1897) 1 Ch. 130; it may be exercised without assigning any reason for requiring inspection: *Holland* v. *Dickson* (1888), 37 C. D. 669; the Court cannot inquire into the motives of the person requiring it: *Davies* v. *Gas Light and Coke Co.*, (1909) 1 Ch. 708; and that the inspection is required from hostile motives is no defence of a refusal: *Mutter* v. *Eastern and Midlands Railway Co.* (1888), 38 C. D. 92. A member is entitled to see the books where the books are kept on application to the secretary at all reasonable hours: see *Kerr* v. *Kant* (1913), R. C. R. 223.

Inspection by agent.

It seems also that the person having the right to inspect might do so by any agent appointed by him for the purpose, *e.g.*, a

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solicitor or accountant, provided that such agent was a person to whom no reasonable objection could be taken by the society: see *Re Credit Co.* (1879), 11 C. D. 256; *Bevan* v. *Webb*, (1901) 2 Ch. 59; *Re Gold Coast Finance Syndicate*, (1904) W. N. 73; *Norey* v. *Keep*, (1909) 1 Ch. 561. The agent should, if so required by the society, undertake that the information acquired by him would be only used for informing his principal: *Bevan* v. *Webb*, *Norey* v. *Keep*, *ubi sup.* The onus of showing that in employing an accountant the member is not acting *bonâ fide* lies on the society resisting the inspection: *Dodd* v. *Amalgamated Marine Workers' Union*, (1924) 1 Ch. 116.

Failure to allow inspection is an offence under the Act: s. 84.

Enforcement of right.

The right given by the section could be enforced by an injunction restraining interference by the society with the exercise at all reasonable times of such right: *Holland* v. *Dickson* (1888), 37 C. D. 669; or—what is the same thing in principle—an order for a mandamus compelling the society to grant the right: *Davies* v. *Gas Light and Coke Co.*, (1909) 1 Ch. 708.

Limitation of benefits.

41.—(1.) A member, or person claiming through a member, of a registered friendly society or branch, shall not be entitled to receive more than three hundred pounds by way of gross sum, together with any bonuses or additions declared upon assurances not exceeding that amount, or (except as provided by this Act) fifty-two pounds a year by way of annuity, from any one or more such societies or branches.

(2.) Any such society or branch may require a member, or person claiming through a member, to make and sign a statutory declaration that the total amount to which that member or person is entitled from one or more such societies or branches does not exceed the sums aforesaid.

"Person claiming through a member" includes the nominees of the member, where nomination is allowed: s. 106.

The exception is in favour of societies established before August 15th, 1850: see s. 101.

The restriction imposed by this section on the assurances of a society enables it to claim exemption from income tax: Income Tax Act, 1918 (8 & 9 Geo. 5, c. 40), s. 39; see note to s. 33.

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Workmen's compensation.

If a scheme certified under the Workmen's Compensation Act, 1906, provides for payment of compensation by a friendly society, this section does not apply to such society in respect of such scheme: 6 Edw. 7, c. 58, Sch. I. (21).

The limitations in sub-s. 1, which were formerly fixed at 200*l.* by way of gross sum and 50*l.* by way of annuity, were raised to 300*l.* and 52*l.* respectively by the F. S. A., 1908, s. 3. The amendment was intended to authorise insurances by a society to limits corresponding with the limits of liability under the Workmen's Compensation Act, 1906, to which by that Act a society could insure only in connection with a certified scheme (*v. sup.*). The effect of the amendment, however, appears to be merely to enlarge the amount of benefit which a member or person claiming through a member may receive from more than one friendly society or branch and not to increase the amount which a friendly society or branch can assure either by way of gross sum or annuity; for such amounts, except in relation to a certified scheme, are apparently limited as formerly by the proviso to s. 8 (1), which prohibits the registration of a society (and presumably also of a new rule of an existing society), which provides for the assurance of an annuity exceeding 50*l.* or a gross sum exceeding 200*l.*

Abatement of income tax in respect of premiums.

Any person who has made an insurance on his life or on the life of his wife, or contracted for any deferred annuity on his own life or the life of his wife, with a registered friendly society, is entitled to deduct the amount of the annual premium paid by him for any such insurance or contract before ascertaining the amount liable to be assessed for income tax, or, if he has paid that tax, to claim repayment: Income Tax Act, 1918 (8 & 9 Geo. 5, c. 40), s. 32 (1); but where the premiums in respect of such insurances are made payable for shorter periods than three months, a person claiming relief must produce to the surveyor of taxes a certificate signed by an officer of the society specifying the correct amount of premiums paid during the year of assessment, and the penalty for wilfully giving or producing a false certificate is 50*l.*: *Ib.* s. 32 (7).

An insurance whereby, in consideration of an annual premium, 100*l.* is payable if the assured die within fifteen years, and 200*l.* if he be living at the end of the period is an insurance on life, and the assured is entitled to deduct the whole premium from his assessment for income tax: *Gould* v. *Curtis*, (1913) 3 K. B. 84.

As to knowingly making a false declaration, see s. 87 (2).

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Accumulation of surplus of contributions.

42. The rules of a registered society or branch may provide for accumulating at interest, for the use of any member, any surplus of his contributions to the funds of the society or branch which may remain after providing for any assurance in respect of which they are paid and for the withdrawal of the accumulations.

Moneys accumulated for the use of a member are moneys payable by the society on the death of that member, and may be included in a nomination by that member (see s. 56); and if such moneys are, by the rules, withdrawable only by a written notice, they are not recoverable by a judgment creditor of the member by garnishee proceedings in the county court: *Cowley* v. *Taylor* (1908), 124 L. T. J. 569.

Deposit friendly societies.

This section allows the formation of "Deposit Friendly Societies" which do not differ in their legal constitution from ordinary friendly societies. This class of societies may also be registered as specially authorised societies under authority No. 5 (p. 28). They are exempt from valuation: see s. 28 (5), note.

Militiamen and volunteers.

43.—(1.) A person shall not, by reason of his enrolment or service *in the militia or* as a naval coast volunteer, Royal Naval volunteer, naval artillery volunteer, or in any corps of *yeomanry or* volunteers whatsoever, lose or forfeit any interest in a friendly society or branch whether registered or unregistered which he possesses at the time of his being so enrolled or serving, or be fined for absence from or non-attendance at any meeting of the society or branch, if his absence or non-attendance is occasioned by the discharge of his military or naval duty as certified by his commanding officer, any rules of the society or branch to the contrary notwithstanding.

The words in italics were repealed by the Territorial Army and Militia Act, 1921 (11 & 12 Geo. 5, c. 37).

It is to be noticed that this sub-section extends to unregistered as well as registered societies. The section does not apply to members who join the regular navy or army.

Territorial army.

By an Order in Council dated March 19th, 1908, and made under the Territorial and Reserve Forces Act, 1907 (7 Edw. 7, c. 9), s. 28 (3), this sub-section applies to the territorial force,

and to the officers and men thereof in like manner as it applies to the militia and to the officers and men of the militia. The Territorial Army and Militia Act, 1921, s. 1, provides that the territorial force under the Territorial and Reserve Forces Act, 1907, shall be called the territorial army, and accordingly that Act and any order applying to the territorial force shall have effect as though references therein were substituted for references to the territorial force, and by s. 2 the designation "the militia" is applied to the portion of the army reserve hitherto known as the special reserve.

(2.) A dispute between any such society or branch and person by reason of that enrolment or service shall be decided by a court of summary jurisdiction.

Disputes.

A dispute falling within this sub-section must be decided by a court of summary jurisdiction, with reference to which, see pp. 155, 213—215. In the case of a registered society the provisions of s. 68 do not apply, and therefore any rule directing the settlement of disputes otherwise than by a court of summary jurisdiction would be inoperative, and the power of reference to the registrar and the jurisdiction of the county court either to give or enforce a decision would be excluded. A decision under this section would seem to be open to appeal, even in the case of a registered society.

(3.) If the rules of a society or branch certified before the twenty-third day of July one thousand eight hundred and fifty-five, and in force at the time of the enrolment or service, provide that a member shall be deprived of any benefit by reason of that enrolment or service, the society or branch may require of the member a contribution exceeding the rate of contribution otherwise payable by him to an amount not exceeding one tenth of that rate during the time the member is serving out of the United Kingdom, or may suspend all claim of the member to any benefits assured by the society or branch, and all claim of the society or branch to any contributions payable by the member, during the time only he is serving out of the United Kingdom, but so that if he returns to the

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United Kingdom he shall forthwith be replaced on the same footing as before he went abroad on service.

Societies formed before July 23, 1855.

This sub-section relates only to registered societies, *i.e.*, certain old societies which, having been certified under former Acts, are by s. 101 deemed to be registered under this Act.

Property, Funds, and Investments.

Investment of funds.

44.—(1.) The trustees of a registered society or branch may, with the consent of the committee or of a majority of the members present and entitled to vote in general meeting, invest the funds of the society or branch, or any part thereof, to any amount in any of the following ways:

(a) in the Post Office Savings Bank, or in any savings bank certified under the Trustee Savings Bank* Act, 1863; or

* *Sic.* 26 & 27 Vict. c. 87.

(b) in the public funds; or

(c) with the National Debt Commissioners as in this Act provided; or

(d) in the purchase of land, or in the erection or alteration of offices or other buildings thereon; or

(e) upon any other security expressly directed by the rules of the society or branch, not being personal security, except as in this Act authorised with respect to loans; or

(f) in any investment in which trustees are for the time being by law authorised to invest trust funds.

Power conferred by section.

This is not a prohibitive but an enabling section. The trustees of a friendly society have not, by virtue of their office, any power to lend the money of the society at all. That authority is given to them by this section, but only under certain circumstances, and subject to certain rules: per Brett, J., *Re Coltman* (1881), 19 C. D. 64.

How exercised.

All investments must be made by the trustees of the society or branch, but not of their own motion; they must obtain the consent of the committee of management or of a majority of the

members present and entitled to vote in general meeting; the trustees cannot delegate their power of investing to any other person or persons, subject, however, to any provision in the rules in accordance with sub-s. 2, *post*, p. 101.

The War Loan (Supplemental Provisions) Act, 1915 (5 & 6 Geo. 5, c. 93), ss. 8 and 9, permit the Public Trustee to hold the funds of any registered friendly society or branch or any approved society, and permits such funds to be invested in the name of the "Accountant of Court" in Scotland: see p. 278.

(a) Savings banks.

Investments in savings banks can only be in those banks mentioned in clause (a), and investments in any other kind of savings bank would be unauthorised, and, it would seem, could not be authorised by rule, as in general deposits with such banks would not be investing on security within the meaning of clause (e): see p. 98.

Investments in a savings bank may be made without restriction as to amount, and under the terms and conditions specially provided by the rules, orders, and regulations of the savings bank. The receipt of the treasurer, trustee, or other officer of the society for money paid according to the requisition of such treasurer, trustee, or other officer apparently authorised to require payment is a sufficient discharge. The fact that funds of a society are deposited in a savings bank does not render liable to forfeiture the deposits in the same, or any other savings bank, of a person interested in the funds of such society: Trustee Savings Banks Act, 1863 (26 & 27 Vict. c. 87), ss. 33—35. These provisions re-enact ss. 28—30 of the Savings Bank Act, 1828 (9 Geo. 4, c. 92), which was applied to the Post Office Savings Bank by the Post Office Savings Bank Act, 1861 (24 & 25 Vict. c. 24), s. 14. A registered friendly society or branch may have deposits in more than one savings bank in the United Kingdom, and may have deposits standing to the credit of more than one account in the same savings bank in the United Kingdom, and a person making a deposit in a savings bank on behalf of a registered friendly society or branch is not bound to make a declaration to the effect that the society is not entitled to any benefit from deposits in that or any other savings bank: Savings Banks Act, 1891 (54 & 55 Vict. c. 21), ss. 12, 16.

(b) Public funds.

"The public funds," which is synonymous with the expressions "the funds" or "Government funds," means funded securities guaranteed by the English Government. The similar expression "Government Stock," in the Savings Bank Act, 1893

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(56 & 57 Vict. c. 69), s. 5 (2), is defined to mean, in that Act, $2\frac{3}{4}$ per cent. Consol. Stock (1903), $2\frac{3}{4}$ per cent. Annuities (1905), $2\frac{1}{2}$ per cent. Annuities, Local Loans 3 per cent. Stock, and Guaranteed Land Stock, and includes Irish Land Stock (Irish Land Act, 1909, s. 2 (3)), stock issued under War Loan Act, 1914 (Finance Act, 1914 (Sess. 2), s. 14 (3)), Exchequer Bonds (Finance Act, 1916, s. 58 (2)), and War Stock under War Loan Act, 1917, s. 1 (2) (War Loan Act, 1918, s. 1 (2)).

(c) National Debt Commissioners.

The provisions relating to investments with the National Debt Commissioners are contained in s. 52.

(d) Land.

The purchase of land is not an authorised investment unless the rules so provide: s. 47. "Land" includes any interest in land (s. 106), and in Scotland heritable subjects of whatever description: s. 102.

(e) Security directed by the rules.

The rules of a society must make provision for the investment of the funds (s. 9, Sch. I.), *i.e.*, direct when and under what circumstances the investments shall be made, &c. The funds available for investment may be invested in any of the ways mentioned in clauses (a), (b), (c) and (f) without any express direction or authority in the rules, and it would seem that none of these can be prohibited by a rule, but any other mode of investment cannot be employed unless expressly authorised by the rules. The rules can only direct an investment upon a "security." Now the word "security" has the well-defined primary meaning of "money secured on property," and in the absence of any context from which it can be gathered that it has another meaning, it does not extend to include a share of property, *i.e.*, stocks or shares: see *Re Rayner*, (1904) 1 Ch. 176, 189. In the Settled Land Act, 1925 (15 Geo. 5, c. 18), s. 117, the Trustee Act, 1925 (15 Geo. 5, c. 19), s. 68, and the Law of Property Act, 1925 (15 Geo. 5, c. 20), s. 205, the word "securities" is defined to include "stocks, funds and shares," but there is no similar definition in this Act. It may, therefore, be questioned whether the word as used in this Act is equivalent to "investment" so as to permit of any investment being authorised by rule which is not a security in the sense of being a charge on property; and if it is not used in the extended sense it would seem that stocks or shares which are not investments as defined by clause (f) cannot under this clause be authorised by rule or made use of as an investment for a society's funds.

Personal security.

Personal security means the security of individuals, and is not used as opposed to "real" securities. Except loans made under

ss. 45, 46 (pp. 101, 102), which is the exception referred to in clause (e), no mere debt is a security on which the funds can be invested. Deposit accounts with bankers, building societies, co-operative societies, as well as the practice of treasurers paying interest for the balances in their hands are unauthorised. The investment of funds of a society on personal security is merely unauthorised, constituting a breach of trust; it is not illegal, so as to prevent the trustees maintaining a suit to recover the money from the persons to whom it is lent: *Re Coltman* (1881), 19 C. D. 64; cf. *Hardy* v. *Metropolitan Land and Finance Co.* (1872), L. R. 7 Ch. 427; cf. *Brougham* v. *Dwyer* (1913), 108 L. T. 504. In any case, however, where the trustees of a society propose to invest on a mortgage, it would seem that they might take from the mortgagor, by way of collateral security, a personal covenant for the repayment of the money lent, *i.e.*, the society might to a certain extent and for certain purposes rely on the solvency of the mortgagor, for an action on the covenant of a solvent borrower affords an effectual and comparatively speedy and inexpensive mode of recovering what is due; if, however, the property comprised in the mortgage is of a value out of all proportion to the amount advanced and the personal covenant is mainly relied on, the transaction would be improper: cf. *Sheffield, &c. Society* v. *Aizlewood* (1889), 44 C. D. 412, 451.

(f) Trust investments.

Clause (f) was added by the F. S. A., 1908, s. 4, and enlarges the range of investments open to societies. It is presumed that the power of investment here given must depend upon the country in which the society or branch is registered. The investments in which trustees in England are authorised by law to invest trust funds are mainly those authorised by the Trustee Act, 1925 (15 Geo. 5, c. 19), s. 1. The statutory investments are subject to certain restrictions, particularly as to redeemable stocks: *Ib.*, s. 2; and by s. 5, certain of express powers of investment already conferred on trustees are enlarged: and trustees may, unless expressly prohibited by the instrument creating the trust, retain or invest in securities payable to bearer, which if not so payable would have been authorised investments, but such securities must be deposited for safe custody and collection of income with a banker or banking company: *Ib.*, s. 7. In the case of the trustees of a friendly society, the F. S. A., together with the rules, seems to constitute the instrument creating the trust: see s. 49 (1); cf. *Re Amalgamated Society of Railway Servants*, (1910) 2 Ch. 547.

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For trustees' power of investment in Scotland, see the Trusts (Scotland) Act, 1921 (11 & 12 Geo. 5, c. 58), ss. 10—14.

Mortgages to a society.

Under clause (f) investments on mortgage of freeholds (including long terms of years) are authorised, and mortgages of leaseholds and other kinds of property may be authorised by rule. The mortgages would be taken in the names of the trustees at the time the investment was made, and the security will always vest in the trustees for the time being: ss. 49, 50. If the trustees of a society have made an investment on a mortgage of real or leasehold property, they would appear to have, by implication, the power of doing all necessary acts to protect or enforce the security, *e.g.*, to enter into possession or sell, but if the society had no power to hold land, they could not foreclose.

Charges on registered land.

In the case of charges on registered land, the Land Registration Rules, 1925, provide that upon the registration of a charge in favour of a friendly society (including a branch society), the instrument of charge may (if it is so desired) be delivered to them after registration upon their delivering at the registry a copy thereof, verified by the signature of the secretary or solicitor, as being a correct copy, which copy shall be admissible for all purposes as sufficient evidence of the contents and execution thereof, without the production of the original charge, and such copy need not be stamped and must be filed in the registry (r. 92), and where an instrument of charge in favour of a friendly society (including a branch society) is delivered to the society, it shall be endorsed with a certificate of registration, and the instrument so endorsed shall be treated for all purposes as the charge certificate, and it shall be endorsed with notes of transfers, part discharges, and other dealings, and when the charge is wholly discharged shall be delivered up, cancelled and retained in the land registry: r. 93. The object of these rules is to enable the society to retain the original security, so as to give effect to the special provision of s. 53, which enables the society to discharge the mortgage by endorsement of the statutory receipt on the original charge. On such endorsement being made and the charge being delivered to the land registrar, the charge will be cancelled. If the original charge is not retained by the society but is filed in the land registry, the security must be discharged by an instrument of discharge: see p. 122. The usual form of instrument of charge (Land Registration Rules, Form 45) is applicable: but the Land Registration Act, 1925, s. 25 (1), authorises a charge in favour of a building society to be made by means of a deed in accordance with the rules of the

society, and in practice this provision, by virtue of the general discretion of the land registrar under r. 322, is extended to friendly societies and industrial and provident societies. Ss. 44, 4

If in a mortgage to a society the deed empowers "the trustees or trustee for the time being of the society," in case of default, to sell the mortgaged property, the power of sale cannot be exercised by any person other than the trustees or trustee, and a person to whom the mortgage is assigned without the concurrence of the mortgagor cannot make a title to the property: *Re Rumney and Smith*, (1897) 2 Ch. 351; cf. *Sun Building Society* v. *Western Suburban and Harrow Road Building Society*, (1920) 2 Ch. 144, 158. Power of sa in a mortga to society.

A sale by the trustees of a society, who are selling as mortgagees under their power of sale, either to themselves or to an officer of the society who is concerned in the management of the sale, is invalid: *Martinson* v. *Clowes* (1882), 21 C. D. 857; *S. C.* (1885), W. N. 41; *Hodson* v. *Deans*, (1903) 2 Ch. 647.

Persons taking part in an unauthorised application of the funds are liable to penalties under s. 87, and the society which sanctions it, under s. 84. Unauthoris investments

(2.) The rules of a society with branches and of any branch thereof may provide for the investment of funds of the society or of that branch by the trustees of any branch, or by the trustees of the society, and the consent required for any such investment shall be the consent of the committee, or of such majority as aforesaid of the society or branch by whom the funds are invested.

This provision was first enacted by the F. S. A., 1895. As to a society with branches, see s. 17 *et seq.* This sub-section gives, in the case of the affiliated orders, power for the district trustees to invest funds of the courts which under s. 49 (2) may be vested in them; the want of this power was previously supplied by the formation of investment societies under a special authority dated 1st June, 1882, which was withdrawn in 1898. See also I. A. A., s. 7 (5), as to the power of the central body of a collecting society with branches to borrow from the branches funds required for making the deposit required by that Act.

45.—(1.) A registered society and, subject to the rules of the society, a registered branch may advance to a Loans to assured members.

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member of at least one full year's standing any sum not exceeding one half of the amount of an assurance on his life, on the written security of himself and two satisfactory sureties for repayment.

(2.) The amount so advanced, with all interest thereon, may be deducted from the sum assured, without prejudice in the meantime to the operation of the security.

This power of making loans to assured members on their assurances extends to a registered branch unless the branch is prohibited from making such loans by the rules of the society. The loans under this section may be made out of the general funds of the society or branch, but the loans must be made to members only and subject to the conditions specified in the section. It is not clear whether a society can invest its funds as provided in this section if the rules do not expressly authorise such loans; therefore this form of investment, if desired, should be expressly directed by rule: see s. 44 (1) (e).

A registered society is not a " money lender " within the meaning of that expression in the Money Lenders Act, 1900 (63 & 64 Vict. c. 51).

A loan cannot be made to a member of less than one year's standing. A person was induced to take out an endowment policy in a registered society on the representation of the society's agent that on payment of the first premium he would obtain an immediate loan, and having paid the premium he applied to the society for a loan, which was refused. On a claim for the return of the premium, alleging false and fraudulent representation by the agent, it was held that the society could not retain money which had been procured for and received by it under a contract which the insured had been induced to enter into by the fraudulent misrepresentation of its agent, and that even though the agent's misrepresentation involved the doing of an act which was illegal or *ultra vires* the principal, he was nevertheless acting within the scope of his authority in making it at least in so far as to deprive the society of any right to retain any benefit under it: *Byrne* v. *Rudd,* (1920) 2 I. R. 12.

Loans out of separate loan fund.

46. A registered society may, out of any separate loan fund to be formed by contributions or deposits of its members, make loans to members on their personal secu-

rity, with or without sureties, as may be provided by the rules, subject to the following restrictions:

(a) A loan shall not at any time be made out of money contributed for the other purposes of the society;

(b) A member shall not be capable of holding any interest in the loan fund exceeding two hundred pounds;

(c) A society shall not make any loan to a member on personal security beyond the amount fixed by the rules, or make any loan which, together with any money owing by a member to the society, exceeds fifty pounds;

(d) A society shall not hold at any one time on deposit from its members any money beyond the amount fixed by the rules, and the amount so fixed shall not exceed two thirds of the total sums owing to the society by the members who have borrowed from the loan fund.

Branches.

This section, which, it is to be noticed, does not apply to branches, provides for loans to members only out of a separate loan fund, but the rules must expressly authorise the formation of the loan fund and the making of loans thereout.

Deposits made by a member in the separate loan account under this section are moneys payable by the society on the death of a member, and may be nominated by that member: s. 56.

A loan exceeding 50*l.* to a member is prohibited by the section, and therefore an illegal and void transaction, and the money cannot be recovered from a surety for the member to whom the loan is made: *Lougher* v. *Molyneux,* (1916) 1 K. B. 718.

Loan societies.

A "special authority" (No. 1, p. 28) was granted authorising the formation of loan societies, for the purpose of making loans under this section, but this special authority was revised in 1917, and such loan societies can now only be registered for the purposes of agriculture, arboriculture and horticulture. A specially authorised society of this class may by rule provide that it may receive deposits and borrow money at interest from its members or from other persons: provided it also has in its rules provisions

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that no part of its funds shall be divided by way of profit, bonus, dividend, or otherwise among its members and that all money lent to members shall be applied to such purpose as the society or its committee of management may approve: The Societies' Borrowing Powers Act, 1898 (61 & 62 Vict. c. 15). It is not clear whether a rule authorising such last mentioned borrowing would affect the application of paragraph (d) of the section.

A society, one object of which was to make advances to members against their obligation to make weekly deposits by way of repayment, was held to have an implied power of borrowing, so that in a winding-up under the supervision of the Court the members were liable to contribute to the debts incurred by borrowing: *Re United Deposit Friendly Relief Society* (1903), 11 Sc. L. T. 85.

Holding of land.

47.—(1.) A registered society or branch may (if the rules thereof so provide) hold, purchase, or take on lease in the names of the trustees of the society or branch any land, and may sell, exchange, mortgage, lease, or build upon that land (with power to alter and pull down buildings and again rebuild), and a purchaser, assignee, mortgagee, or tenant shall not be bound to inquire as to the authority for any sale, exchange, mortgage, or lease by the trustees, and the receipt of the trustees shall be a discharge for all sums of money arising from or in connexion with the sale, exchange, mortgage, or lease.

(2.) A branch of a registered society need not for the purposes of this section be separately registered.

(3.) Nothing in this section shall authorise a benevolent society to hold land exceeding one acre in extent.

By the Law of Property Act, 1925 (15 Geo. 5, c. 20), s. 7, the provisions of the F. S. A. in regard to land to which that Act applies remains in full force.

Provision in the rules.

The rules should state which (if any) of the matters specified in this section the society may do. Except in the case of a benevolent society (sub-s. 3), there is no limit to the extent or value of the land which may be held, purchased, or taken on lease by a registered society or branch. Land includes "any interest in land," s. 106.

Leaseholds.

The trustees of a society who have accepted a lease on its

behalf and have incurred liability under covenants therein, are entitled to indemnity out of the property of the society, but the members of the society are not merely by reason of their membership personally liable to indemnify the trustees where there is no rule imposing any such liability: see *Wise* v. *Perpetual Trustee Co.*, (1903) A. C. 139.

Where the trustees have allowed the society as beneficial owner of the property (see s. 50) to have the full management of it, a notice to quit given to a tenant by the society's agent is valid: *Re Knight and Hubbard*, (1923) 1 Ch. 130.

Borrowing powers of a society

Except in this section and s. 46, there is nothing in the F. S.A. with regard to borrowing by a friendly society, though the Societies' Borrowing Powers Act, 1898, which applies only to one class of specially authorised societies, and enables them to receive deposits from persons other than members, incidentally confers a power of borrowing. But there is nothing in the Acts expressly prohibiting a friendly society from borrowing, and a rule authorising borrowing by an unincorporated building society which was not contrary to any express provision of the Acts relating to the society, and did not make the society a thing different from a building society and merely provided a method of conducting its business, was held not to be illegal: *Laing* v. *Reid* (1869), L. R. 5 Ch. 4; *Murray* v. *Scott* (1884), 9 A. C. 519, 537; and in *Pare* v. *Clegg* (1861), 30 L. J. Ch. 742; money borrowed by a friendly society, certified under the Acts of 1829 and 1834, under a rule empowering the directors to borrow by way of mortgage or otherwise for the purposes of the society, was held to constitute a valid debt of the society. It would seem that a society has a power of borrowing incidental to the conduct of its business, but only to the extent to which it is necessary for the purpose of carrying out its objects, and may exercise such power provided the rules of the society confer on it the power to do so. On these principles the chief registrar has held that a rule authorising the society to borrow money on the security of its assets is not contrary either to the Act or to the general law, and such a rule can be legally and properly applied, and the fact that it might be illegally and improperly implied does not justify a refusal to register it: see (1918), R. C. R. 15.

In any mortgage of land made under this section it would seem that a covenant binding the society or branch might properly be inserted: cf. *Wenlock* v. *River Dee Co.* (1883), 36 C. D. 675 n., 681 n.

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Money borrowed for a society and applied for its benefit constitutes a valid debt against the society, although the formalities required by the rules have not been followed: *Pare* v. *Clegg* (1861), 30 L. J. Ch. 742; but borrowing for purposes other than the authorised purposes and objects of the society would be illegal: cf. *Re Badger*, (1905) 1 Ch. 568.

Land purchased prior to Jan. 1, 1876.

The F. S. A., 1855 (18 & 19 Vict. c. 63), contained a limited power of investment in land independently of the rules, and the following decision may be useful to the older societies whose rules do not contain any power of investment in land.

A society established in 1842, in 1874 under the power given by the Act of 1855 purchased land for the purpose of holding meetings of the society, and rules made after 1875 provided that the society might invest in certain securities therein mentioned and "in the purchase of freehold ground rents or reversionary real estate . . . . with power to vary such investments." In 1907, the trustees agreed to sell the property. The purchaser objected that the trustees had no power to sell, as the power of sale in s. 47 of the Act of 1896 only extended to authorise the sale of land which under the rules might be held or purchased or taken on lease, that the property sold was neither a freehold ground rent nor reversionary real estate, and that the power of sale in the repealed Act of 1855 was gone. The vendors contended that the property having been purchased under the Act of 1855 for the purpose of holding meetings was an authorised investment, and that the power to vary investments in the rules ought to be read to include investments specifically authorised by the rule, and also those authorised by statute, and therefore the trustees had power to sell, and further, that if the land in question was not an authorised investment the trustees had an implied power of sale. It was held, though no reasons were given, that the trustees had power to sell and convey to the purchaser: *Re Bunn and Chick* (1907) (unreported). Cf. *Re Gent and Eason*, (1905) 1 Ch. 386; *Re Pope's Contract*, (1911) 2 Ch. 442.

A lease made to an unregistered society by name and executed by a person purporting to act on behalf of the society is of no effect even as an agreement for a lease, and the trustees of the society are not thereby made lessees: *Jarrott* v. *Ackerley* (1915), 113 L. T. 371.

Devise or bequest to society.

Whether a gift by will to a friendly society is good or not seems a question to be determined from a consideration of the nature of the gift and the constitution of the society. If the

gift is one tending to a perpetuity it is good only if the society is charitable; thus, a bequest of property upon trust to apply the income in aid of the funds of a friendly society which was not a charity was invalid: *Re Clark's Trust* (1875), 1 C. D. 497. But if the society is not charitable, the gift in order to be good must not tend to a perpetuity, and the test of this is whether the gift is in such terms as would prevent the existing members of the society dealing as they please with the subject-matter of the gift, and if they will not be so prevented the gift is good: *Re Clarke,* (1901) 2 Ch. 110; *Re Drummond,* (1914) 2 Ch. 90. Ss. 47—

48. Where a registered society or branch is entitled in equity to any hereditaments of copyhold or customary tenure, either absolutely or by way of mortgage or security, the lord of the manor of which the hereditaments are held shall, if the society or branch so requires, admit not more than three trustees of the society or branch as tenants in respect of such hereditaments, on payment of the usual fines, fees, and other dues payable on the admission of a single tenant. Copyholds.

As from the 1st January, 1926, every parcel of copyhold land is, by virtue of the Law of Property Act, 1922 (12 & 13 Geo. 5, c. 16), s. 128, and the Law of Property (Postponement) Act, 1924 (15 Geo. 5, c. 4), enfranchised and ceases to be of copyhold or customary tenure, and such enfranchisement is to have the effect stated in Schedule XII. of the former Act, which contains provisions for the extinguishment of the manorial incidents which are saved by the Act. So long as the manorial incidents saved by the Act remain unextinguished, by s. 129 an assurance of the land, unless produced to the steward of the manor within six months of its execution, is void as a conveyance of the legal estate, and on such production and payment of the fines, fees, &c. the steward is to endorse the assurance with a certificate, which is to be conclusive evidence that the assurance was produced within the time allowed; and by s. 130 the same fines, &c. are payable on any transaction as would have been payable if the land had remained copyhold.

49.—(1.) All property belonging to a registered society, whether acquired before or after the society is Vesting of property.

S. 49. registered, shall vest in the trustees for the time being of the society, for the use and benefit of the society and the members thereof, and of all persons claiming through the members according to the rules of the society.

(2.) The property of a registered branch of a society shall vest wholly or partly in the trustees for the time being of that branch or of any other branch of which that branch forms part (or, if the rules of the society so provide, in the trustees for the time being of the society), for the use and benefit either of the members of any such branch and persons claiming through those members, or of the members of the society generally, and persons claiming through them, according to the rules of the society.

"Property" extends to all property real or personal: s. 106.

This section is subject to ss. 8 and 9 of the War Loan (Supplemental Provisions) Act, 1915 (5 & 6 Geo. 5, c. 93), enabling the Public Trustee to hold stocks, shares or securities of a registered friendly society or branch, or of an approved society. The Public Trustee is to invest the funds transferred to him and pay the interest to the trustees of the society, and when required by those trustees transfer the capital to them, or realise the same and pay the proceeds to them. The Public Trustee is completely exonerated from all liability in relation to funds held by him, and no action lies against him in respect thereof provided he acts in accordance with these provisions (see pp. 278, 279).

Investments. Investments should be under the title "Trustees of ——." No transfer on appointment of new trustees is necessary (see s. 50), except that public funds of Great Britain and Ireland require to be transferred into the names of the succeeding trustees; and in the case of a trustee, in whose name either solely or jointly any stock stands, becoming bankrupt, or lunatic, or dying, or removing, or if it is uncertain whether he be living or dead, the chief registrar may direct a transfer of the stock: s. 34. The Bank of England refuses to allow stock to stand in the names of more than four persons in the absence of special circumstances.

Under the War Loan (Supplemental Provisions) Act, 1915, arrangements have been made whereby registered societies and branches may have their investments in War Stock transferred from the Bank of England register to the Post Office register in

order to avoid the inconvenience attending the transfers in the books of the Bank of England on a change of trustees, for in the Post Office register stock may be inscribed in the name of the society or branch concerned, the names of the trustees being added as in the case of accounts in the Post Office Savings Bank.

Devolution liabilities.

The trustees are a continuing body for nearly all purposes. Where an injunction had been granted against the trustees of a branch by name, restraining them from dividing 2,000*l.*, part of the society's funds, amongst the members of the branch, and these trustees having retired, others were appointed, who carried out the division, the new trustees, as well as the old who were cognisant of it, were held guilty of contempt of Court: *Avery* v. *Andrews* (1882), 51 L. J. Ch. 414.

Vesting of property in trustees.

Deposit notes of a banker, the property of an unregistered society, vest in the trustees upon registration, and must be delivered to them by those in whose hands they are: *Yeates* v. *Roberts* (1855), 7 D. M. & G. 227. See also *Oldham Our Lady's Sick and Burial Society* v. *Taylor* (1887), 3 T. L. R. 472. To maintain an action it is sufficient that the society should be registered before the cause of action arose: *Margett* v. *Parkes* (1843), 13 L. J. Ex. 87.

Where the trusts of a fund declared by the rules are void for illegality, a contributor claiming by way of resulting trust cannot enforce the trust by an originating summons under Ord. LV. r. 3, and it would seem that the Court, even if it had jurisdiction, would not give partial relief by making a declaration of the rights of the parties interested under Ord. LIVa. rr. 1, 4, but would leave the whole matter to be dealt with in an action to enforce the trust: *Re Amalgamated Society of Railway Servants,* (1910) 2 Ch. 547.

(3.) The trustees shall not be liable to make good any deficiency in the funds of the society or branch, but shall be liable only for sums of money actually received by them respectively on account of the society or branch.

Personal liability of the trustee

This sub-section protects the trustees from personal liability to the society so far as they are the persons nominally representing it and having all the property of the society vested in them; it appears to impose on each trustee liability for his own acts and defaults, but not liability for the acts or defaults of his co-trustees: see *Re Cardiff Savings Bank,* (1892) 2 Ch. 100, 108.

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Unauthorised division of funds.

The trustees are liable for moneys of the society or branch in their hands or under their control which they distribute or deal with contrary to the rules.

The rules of a society which were binding on every branch thereof provided that no division of the surplus funds of a branch should be made without the consent of the directorate of the society, and that if any branch made a division of its funds contrary to the rule, the amount so divided should be forfeited to the sick and general fund of the society, and the trustees of the branch should be personally responsible for the amount so misappropriated; a branch having resolved to divide some surplus funds, the trustees thereof, who paid the same away without any consent or authority of the directors of the society, were ordered to repay the money: *Cox* v. *James* (1882), R. C. R. 19; F. S. Cas. 282. In a similar case affecting the same society, besides an order for payment of the funds misappropriated, the branch trustees were restrained by injunction from making any further appropriation or division contrary to the rules: *Holmes* v. *Taylor* (1889), F. S. Cas. 285.

Where the rules of a society, applicable to all its branches, provided that a branch appropriating any portion of its sick fund for any other purpose than the payment of sick allowances under the rules, should forfeit the money so appropriated to the society's relief fund, to be recovered by legal process as a penalty, the trustees of a branch which had improperly divided a part of the sick fund were ordered to repay the same to the trustees of the society: *Scott* v. *Evans* (1895), F. S. Cas. 560.

Devolution on death.

50. Upon the death, resignation, or removal of a trustee of a registered society or branch, the property vested in that trustee shall, without conveyance or assignment, and whether the property is real or personal, vest, as personal estate subject to the same trusts, in the succeeding trustees of that society or branch either solely or together with any surviving or continuing trustees, and, until the appointment of succeeding trustees, shall so vest in the surviving or continuing trustees only, or in the executors or administrators of the last surviving or continuing trustee, except that stocks and securities in the public funds of Great Britain and Ireland shall be transferred into the names of

the succeeding trustees, either solely or jointly with any surviving or continuing trustees.

Even where land is conveyed to the trustees of a society by name it vests in the trustees from time to time, and on a sale the trustees for the time being would be the proper persons to convey to a purchaser. If land of the society is registered under the Land Registration Act, 1925, in the names of former trustees, the existing trustees may be registered as proprietors under the Land Registration Rules, r. 131. As to the evidence required on the registration of the trustees, see *ib.* r. 259. In the case of a person who has to make payments to the trustees, *e.g.*, where a mortgagor has received an advance out of the funds of a society, the mortgage being in the names of the trustees, the mortgagor can satisfy himself as to the proper parties to make payment to by an examination of the books of the society, or by obtaining from the registry certified copies of the appointments of trustees of the society.

If for any reason stocks and securities in the public funds cannot be transferred to the new trustees, application should be made under s. 34 to the chief registrar to direct a transfer.

The Port of London Stock Regulations, 1917, made by the Board of Trade under the Port of London Act, 1908 (8 Edw. 7, c. 68), provide, in the case of Port of London Stock held by a society or branch under the F. S. A., for the registration of changes in the trustees of the society or branch.

Where a bond and disposition in security had been granted in favour of the trustees' *nomination* and their successors, s. 50 does not entitle the successors of the trustees named in the bond to charge the debtor upon an extract of the bond without producing as required by ss. 7 and 12 of the Debtors (Scotland) Act, 1838, legal evidence of their right to the extract, even though the fact of their appointment as trustees is known to the debtor: *Mitchell* v. *Allardyce* (1916), S. C. 689.

Description in legal proceedings

51. In all legal proceedings whatsoever concerning any property vested in the trustees of a registered society or branch, the property may be stated to be the property of the trustees in their proper names as trustees for the society or branch without further description.

There must be at least one trustee of a society (s. 25), and the property vests in the trustees or trustee for the time being

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or the legal personal representatives of the last surviving trustee: s. 50.

It is necessary to prove that the parties in whom the property is laid are actually the trustees: *R.* v. *Essex* (1857), 30 L. T. 171; and where in an indictment the property was laid in "C. D. and others," without alleging that they were trustees, an amendment was allowed by the addition of "trustees of, &c.": *R.* v. *Marks* (1866), 10 Cox, C. C. 367.

When there is no properly appointed trustee the property might perhaps be laid in an acting trustee: cf. *R.* v. *Essex* (1857), 30 L. T. (O. S.) 171; or in the person having the custody of and responsible for the property, *e.g.*, the landlord of an inn where the cash-box of the society was kept: *R.* v. *Webster* (1861), 31 L. J. M. C. 17; *R.* v. *Burgess* (1863), 32 L. J. M. C. 185. Cf. *R.* v. *Bramley* (1824), Russ. & R. 478.

Unregistered societies.

In an indictment under the Larceny Act, 1868 (31 & 32 Vict. c. 116), s. 1, charging a prisoner who was the treasurer and a member of a trading club which was not registered, the property was rightly laid in the prisoner and others as beneficial owners: *R.* v. *Tankard*, (1894) 1 Q. B. 548. In an indictment for obtaining benefit moneys from one of the stewards, in whose custody the moneys were, the money was rightly laid in the steward, from whom it was obtained, "and others": *R.* v. *Dent* (1843), 1 C. & K. 249.

Investments with the National Debt Commissioners.

52.—(1.) A registered society or branch may pay to the account of the National Debt Commissioners at the Bank of England or the Bank of Ireland, as the case may require, any sum of money not less than fifty pounds upon a declaration of the trustees of the society or branch, or any two of them, that the money belongs exclusively to the society or branch.

(2.) The cashier of the Bank shall receive all such sums of money and place them to the account of the Commissioners in the book of the Bank named "The Fund for Friendly Societies."

The Customs, Inland Revenue, and Savings Banks Act, 1877 (40 Vict. c. 13), provides for the application of the surplus interest from this fund (s. 16), and for annual accounts to be laid before Parliament (s. 17); and the Revenue, Friendly

Societies, and National Debt Act, 1882 (45 & 46 Vict. c. 72), s. 21, provides for a guarantee from the Consolidated Fund of the moneys due from the National Debt Commissioners to friendly societies and for the investment of such moneys.

(3.) A sum of money paid in upon a false declaration shall be forfeited to the Commissioners, and applied by them in the manner directed by section twelve of the Savings Banks Act, 1891. 54 & 55 Vict. c. 21.

The enactment here alluded to provides that the deposit upon forfeiture shall be transferred to the account of the Sinking Fund, with, however, this proviso:—

"Nothing in this section or in any other enactment relating to savings banks shall prevent a friendly society [which is defined to mean a friendly society legally registered in the manner required by the Acts for the time being in force relating to friendly societies and to include a registered branch] from having deposits in more than one savings bank in the United Kingdom, or from having deposits standing to the credit of more than one account in the same savings bank in the United Kingdom, and a person making a deposit in a savings bank on behalf of a friendly society shall not be bound to make a declaration to the effect that the society is not entitled to any benefit from deposits in that or any other savings bank."

Declaration by trustees.

The only declaration it would seem that the trustees of the society have to make is that prescribed by sub-s. 1 of this section.

(4.) The provisions of sections twenty-one, twenty-two, twenty-four, twenty-five, twenty-six, twenty-seven, and twenty-eight of the Trustee Savings Banks Act, 1863, as to the regulation of receipts, certificates, and orders, shall apply to money paid under this section. 26 & 27 Vict. c. 87.

The provisions referred to are briefly as follows:—On payment of money into the Bank to the account of the National Debt Commissioners, their officer shall give a receipt for the same carrying interest (s. 21); interest is to be calculated half-yearly, up to 20th November and 20th of May, and carried to the account of the society as additional principal, no interest being allowed on any fractional part of a pound (s. 22); before

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drawing for money, the trustees shall sign an appointment of an agent to receive the same, which appointment shall be deposited with the Commissioners, appointments being revocable (s. 24); the trustees may draw for the whole or any part of any sum placed to their account by drafts on the Commissioners, signed by any two trustees and attested by two witnesses, and such draft shall be endorsed by their officer and paid, with the interest added thereto, by the cashiers of the Bank (s. 25); a draft exceeding 10,000*l.* is not to be paid until after fourteen days (s. 26); the officer is not to issue in one day orders for more than 10,000*l.* for the same society (s. 27); and trustees appearing in person may receive payment of drafts instead of their agents, such receipt of money by the trustees not affecting any previous appointment of agents (s. 28).

The Revenue Act, 1903 (3 Edw. 7, c. 46), s. 16 (2), enacts that s. 26 of the Trustee Savings Banks Act, 1863, so far as it relates to the signature and attestation of any draft or order for a sum exceeding 5,000*l.* shall cease to have effect: the result is that drafts of any amount may be signed by two trustees only, and attested by two witnesses, without requiring different witnesses for each signature.

The limit of 10,000*l.* in s. 27 of the Trustee Savings Banks Act, 1863, may be exceeded in special circumstances existing at the time: War Loan (Supplemental Provisions) Act, 1915 (5 & 6 Geo. 5, c. 93), s. 10.

(5.) A society or branch so investing money with the Commissioners shall be entitled to a receipt entitling to interest at the following rates:—

To a friendly society or branch legally established before the twenty-eighth of July one thousand eight hundred and twenty-eight, which had invested funds with the Commissioners before the twenty-third of July one thousand eight hundred and fifty-five, a rate of interest in respect of any assurance made before the fifteenth of August one thousand eight hundred and fifty of . .	Threepence per centum per diem.

To a friendly society or branch legally established between the twenty-eighth of July one thousand eight hundred and twenty-eight and the fifteenth of August one thousand eight hundred and fifty, which had invested funds with the Commissioners before the twenty-third of July one thousand eight hundred and fifty-five, a rate of interest in respect of any assurance made before the fifteenth of August one thousand eight hundred and fifty of . .	Twopence half-penny per centum per diem.
To a friendly society or branch legally established before the twenty-eighth of June one thousand eight hundred and eighty-eight, which had invested funds with the Commissioners before the first day of January one thousand eight hundred and ninety-six, a rate of interest in respect of any assurance made on or before the said twenty-eighth day of June of	Twopence per centum per diem.
To a society or branch in respect of any investment with the Commissioners, other than as herein-before in this section mentioned, a rate of interest of	Two pounds fifteen shillings per centum per annum.

The following summary, in tabular form, of this sub-section shows the rates of interest now payable by the Commissioners for the reduction of the National Debt upon money invested with them by friendly societies and branches:—

[TABLE.

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Date of legal establishment of society or branch.	Date of first investment with Commissioners.	Date when assurance was made.	Rate of interest.	
			per diem.	per annum.
			d.	£ *s.* *d.*
Before 28 July, 1828	Before 23 July, 1855	Before 15 Aug., 1850	3	4 11 3
Between 28 July, 1828, and 15 Aug., 1850	do.	do.	2½	3 16 0½
Before 28 June, 1888	Before 1 Jan., 1896	On or before 28 June, 1888	2	3 0 10
All other dates..	—	—	—	2 15 0

(6.) A society or branch withdrawing money so invested with the Commissioners shall not be entitled to make any further deposit without their consent.

(7.) A society or branch so investing money with the Commissioners shall furnish such returns as may be required by the Commissioners, in respect of the funds deposited with them, and the assurances to which those funds relate.

(8.) A society or branch having funds invested with the Commissioners at a rate higher than two pounds fifteen shillings per centum per annum shall retain at that rate so much only of its funds as arises from assurances made before the date applicable to that rate, after deducting all benefit payments and management expenses incurred on account of those assurances; and whenever the society or branch fails to satisfy the Commissioners of its title to retain at that rate any part of its funds, the Commissioners shall require the withdrawal thereof, or the transfer thereof to the rate of twopence per centum per diem, or two pounds fifteen shillings per centum per annum, as the case may require, and in default of withdrawal within thirty days, shall transfer the same in their books accordingly, and shall notify the transfer to the society or branch.

(9.) Whenever it appears to the Commissioners that all the members of a society or branch assured before the

fifteenth day of August one thousand eight hundred and fifty have died or ceased to be members, the Commissioners shall forthwith transfer in their books to the rate of twopence per centum per diem, or two pounds fifteen shillings per centum per annum, as the case may require, all funds of the society or branch remaining invested at any higher rate, and shall notify the transfer to the society or branch.

Discharge of mortgages by receipt endorsed.

53.—(1.) A receipt under the hands of the trustees of a registered society or branch, countersigned by the secretary, for all sums of money secured to the society or branch by any mortgage or other assurance, being in the form prescribed by this Act, if endorsed upon or annexed to the mortgage or other assurance, shall vacate the mortgage or assurance and vest the property therein comprised in the person entitled to the equity of redemption of that property, without reconveyance or resurrender.

This sub-section is similar to that contained in the Building Societies Act, 1874 (37 & 38 Vict. c. 42), s. 42, which has received judicial interpretation on several occasions; it provides a cheap statutory substitute for reconveyance of the legal estate, and the receipt operates in favour of the person who at its date has the best right to a conveyance of the property mortgaged; and the existing law as to the rights and interests, *inter se*, of mortgagors and mortgagees is unaffected.

For the case of land registered under the Land Registration Act, 1925, see p. 121.

Form of receipt.

The form is prescribed by s. 98 (4), which provides that the receipt shall be in the form set forth in Part III. of Sched. II., or in any form specified in the rules of the society or branch or any schedule thereto. From the expression "shall be in the form" in s. 98, it would seem that no deviation from the statutory form, or that (if any) given in the rules, is allowable, and that the receipt endorsed must be a verbal and literal transcript of the form prescribed, if it is to have the statutory effect by way of reconveyance, see *Thomas* v. *Kelly* (1888), 13 A. C. 506, 519, per Lord Macnaghten, and cf. *Re Ethel and Mitchell*, (1901) 1 Ch. 945; and consequently if any modification were made, the receipt would operate only as an acknow-

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ledgment of the payment of the mortgage money, and a reconveyance or the endorsement of a receipt in the proper form would be necessary to revest in the mortgagor the estate comprised in a legal mortgage. A mere clerical error would probably not affect the validity of the receipt: cf. *Spice* v. *Bacon* (1877), 2 Ex. D. 463, 466. It may, however, be a question whether, if the endorsed receipt follows the prescribed form with some addition, such addition would avoid the statutory effect of the receipt by way of reconveyance; it is submitted it would not, at any rate where the addition was clearly separable from the statutory form, *e.g.*, a date. It is to be observed that the form given in the schedule to the Act does not provide for the insertion of the date on which the receipt was signed, which, in many cases, might be material to determine the precise period at which the reconveyance operated; probably the mere insertion of the date, whether above or below the signatures, would not prevent the receipt from being in the prescribed form so as to have the statutory effect.

Endorsement necessary.

The receipt must be executed in the manner required by the Act, and a receipt contained in the body of a reconveyance executed by the trustees and endorsed on the society's mortgage can have no statutory effect in transferring the legal estate: *Carlisle Banking Co.* v. *Thompson* (1884), 28 C. D. 398.

Conveyance by receipt.

The effect of the receipt endorsed on or annexed to the society's mortgage is to vest the legal estate in the person who in equity is best entitled to call for it, and not necessarily in the person who pays off the society. Where there are successive equitable mortgages subsequent to that to the society, and the mortgagor pays off the society, the legal estate vests in the equitable mortgagee who is first in point of time, although he is unaware of the discharge of the first mortgage: *Fourth City Mutual Benefit Building Society* v. *Williams* (1879), 14 C. D. 140; but where the society is paid off by an equitable mortgagee who has no notice of any prior incumbrance, the legal estate vests in him notwithstanding the existence of any prior incumbrances: *Marson* v. *Cox* (1879), 14 C. D. 140. If a third person, at the request of the mortgagor, pays off the society, and receives the title deeds, the legal estate vests in him: *Stamers* v. *Preston* (1859), 9 Ir. C. L. R. 351; even though he takes from the mortgagor an equitable charge securing the money advanced and containing an agreement to execute a legal mortgage when required, for such undertaking does not amount to a contract that the legal estate should vest in the mortgagor: *Crosbie-*

Hill v. *Sayer*, (1908) 1 Ch. 866. A third person so paying off the society and getting the legal estate thereby acquires priority over incumbrances made prior to his advance, and of which he had no notice: *Pease* v. *Jackson* (1868), L. R. 3 Ch. 576; *Lawrence* v. *Clements* (1874), 31 L. T. 670; *Robinson* v. *Trevor* (1883), 12 Q. B. D. 423; and even over a purchaser of a part of the property of whom he had no notice, and to whom, being ignorant of the society's mortgage, such part had been conveyed by the mortgagor alone: *Sangster* v. *Cochrane* (1884), 28 C. D. 298. The priority so acquired extends not only to the sum applied in paying off the society, but also to any further sum advanced to the mortgagor: *Hosking* v. *Smith* (1888), 13 A. C. 582 (overruling *Pease* v. *Jackson* and *Robinson* v. *Trevor* on this point), so that as regards tacking such further advance the statutory receipt has the same effect as if the legal estate had passed by way of reconveyance only: *Carlisle Banking Co.* v. *Thompson* (1884), 28 C. D. 398.

Effect of t receipt.

The giving of the statutory receipt precludes the society from saying that there is any debt due to it: *Harvey* v. *Municipal Permanent Investment Building Society* (1884), 26 C. D. 273; *London and County United Building Society* v. *Angell* (1896), 65 L. J. Q. B. 194; but where the society has endorsed the receipt and handed the mortgage with the receipt to a person to receive the money for them, it is open to the society to show that it has never been paid off and that the statutory receipt and the mortgage were delivered only as an escrow, so that the legal estate remains vested in the trustees: *Lloyds Bank, Limited* v. *Bullock*, (1896) 2 Ch. 192.

Stamp.

The statutory receipt is exempt from stamp duty, as it is a document authorised by the Act: s. 33 (d). See *Old Battersea and District Building Society* v. *Inland Revenue Commissioners*, (1898) 2 Q. B. 294.

As from January, 1, 1926, the provisions of s. 115 of the Law of Property Act, 1925, as to the operation of a receipt (in substitution for the like provision in this section) apply to the discharge of a mortgage made to a friendly society, provided the receipt is executed in the manner required by this subsection. S. 115 is as follows:—

115.—(1) A receipt endorsed on, written at the foot of, or annexed to, a mortgage for all money thereby secured, which states the name of the person who pays the money and is executed by the chargee by way of legal mortgage or the person in whom the mortgaged property is vested and who is legally

S. 53. entitled to give a receipt for the mortgage money shall operate, without any reconveyance, surrender, or release—

(a) Where a mortgage takes effect by demise or sub-demise, as a surrender of the term, so as to determine the term or merge the same in the reversion immediately expectant thereon;

(b) Where the mortgage does not take effect by demise or sub-demise, as a reconveyance thereof to the extent of the interest which is the subject-matter of the mortgage, to the person who immediately before the execution of the receipt was entitled to the equity of redemption;

and in either case, as a discharge of the mortgaged property from all principal money and interest secured by, and from all claims under the mortgage, but without prejudice to any term or other interest which is paramount to the estate or interest of the mortgagee or other person in whom the mortgaged property was vested.

(2) Provided that, where by the receipt the money appears to have been paid by a person who is not entitled to the immediate equity of redemption, the receipt shall operate as if the benefit of the mortgage had by deed been transferred to him; unless—

(a) it is otherwise expressly provided; or

(b) the mortgage is paid off out of capital money, or other money in the hands of a personal representative or trustee properly applicable for the discharge of the mortgage, and it is not expressly provided that the receipt is to operate as a transfer.

(3) Nothing in this section confers on a mortgagor a right to keep alive a mortgage paid off by him, so as to affect prejudicially any subsequent incumbrancer; and where there is no right to keep the mortgage alive, the receipt does not operate as a transfer.

(4) This section does not affect the right of any person to require a re-assignment, surrender, release, or transfer to be executed in lieu of a receipt.

(5) A receipt may be given in the form contained in the Third Schedule to this Act, with such variations and additions, if any, as may be deemed expedient; and where it takes effect under this section, it shall (subject as hereinafter provided) be liable to the same stamp duty as if it were a reconveyance under seal.

(6) In a receipt given under this section the same covenants shall be implied as if the person who executes the receipt had

by deed been expressed to convey the property as mortgagee, subject to any interest which is paramount to the mortgage.

(7) Where the mortgage consists of a mortgage and a further charge or of more than one deed, it shall be sufficient for the purposes of this section, if the receipt refers either to all the deeds whereby the mortgage money is secured or to the aggregate amount of the mortgage money thereby secured and for the time being owing, and is endorsed on, written at the foot of, or annexed to, one of the mortgage deeds.

(8) This section applies to the discharge of a charge by way of legal mortgage, and to the discharge of a mortgage, whether made by way of statutory mortgage or not, executed before or after the commencement of this Act, but only as respects discharges effected after such commencement.

(9) The provisions of this section relating to the operation of a receipt shall (in substitution for the like statutory provisions relating to receipts given by or on behalf of a building, friendly, industrial or provident society) apply to the discharge of a mortgage made to any such society, provided that the receipt is executed in the manner required by the statute relating to the society, but nothing in this section shall render a receipt given by or on behalf of any such society liable to any stamp duty which would not have been otherwise payable.

(10) This section does not apply to the discharge of a charge or incumbrance registered under the Land Registration Act, 1925.

(11) In this section "mortgaged property" means the property remaining subject to the mortgage at the date of the receipt.

(2.) If the mortgage or other assurance has been registered under any Act for the registration or record of deeds or titles, or is of copyholds or of lands of customary tenure and entered on any court rolls, the registrar under any such Act, or recording officer, or steward of the manor, or keeper of the register, shall on production of the reciept, verified by oath of any person, enter satisfaction of the mortgage or charge made by the assurance on the register or court rolls, and shall grant a certificate, either upon the mortgage or assurance, or separately to the like effect.

This sub-section provides the means of perfecting the evidence

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of title upon the redemption of a mortgage to a society, the certificate being to the effect that the mortgage or charge has been satisfied. See also the Law of Property Act, 1925 (15 Geo. 5, c. 20), s. 11.

Registered land.

In the case of registered land, when all money intended to be secured by any mortgage or charge to or in favour of any friendly society (including a branch society), has been fully paid or satisfied, an instrument of discharge in the form provided by the Land Registration Rules under the hands and seals of the trustees for the time being of or acting in that matter for such friendly society or other the proper officers thereof, and countersigned by the secretary, shall have the same effect and operation in vacating the mortgage or charge, and in determining the mortgage term and otherwise as a receipt indorsed on such mortgage or charge duly made, signed and attested in such form and manner, and by such persons as is prescribed by and otherwise in conformity with the provisions of s. 53, as varied, in the case of unregistered land, by s. 115 of the Law of Property Act, 1925: Land Registration Rules, 1925, r. 152. Where the original charge has been retained by the society under r. 92 (see p. 100), it can be indorsed with the statutory receipt and delivered up to the registrar, and will then be cancelled.

(3.) The certificate shall be received in evidence in all courts and proceedings without further proof.

(4.) The person making the entry shall be entitled for making the said entry and granting the said certificate to a fee of two shillings and sixpence, which in Ireland shall be paid by stamps and applied in accordance with the Public Offices Fees Act, 1879.

42 & 43 Vict. c. 58.

(5.) This section shall not extend to Scotland or the Island of Jersey.

Officers in Receipt or Charge of Money.

Security by officers.

54. Every officer of a registered society or branch having receipt or charge of money shall, if the rules of the society or branch so require, before taking upon himself the execution of his office, become bound with one sufficient surety at the least in a bond or give the security of a guarantee society, in such sum as the society or

branch directs, conditioned for his rendering a just and true account of all sums of money received and paid by him on account of the society or branch at such times as its rules appoint, or as the society or branch or the trustees or committee thereof require him to do, and for the payment by him of all sums due from him to the society or branch. S. 54

Officers.

For the definition of officer, see s. 106 (p. 233). An officer having receipt of money is not bound to give security unless the rules of the society or branch so require. The amount of the security to be given may be either fixed by the rules or by the society from time to time.

The bond is to be in one of the forms in Part III. of Sched. II.: s. 98 (4); it need not be stamped: s. 33 (c).

In event of bankruptcy, the society's claims have priority over other creditors: s. 35. The neglect of a society to obtain this bond from an officer is a bar to their preferential claim on the bankruptcy of such officer (county court): *John o' Gaunt Lodge* v. *Bell* (1883), F. S. Cas. 67.

In an action on a bond given under the similar section of the Charitable Loan Societies (Ireland) Act, 1843 (6 & 7 Vict. c. 91), it was held that the neglect and mismanagement of the officers of the society in not compelling the treasurer to account did not discharge the surety to the bond from his obligation thereunder: *Madden* v. *M'Mullen* (1860), 13 Ir. C. L. R. 305.

As to the responsibility of a treasurer in respect of the loss of money immediately after its receipt, see *Walker* v. *British Guarantee Association* (1852), 21 L. J. Q. B. 257.

Approved societies.

In respect of State insurance business, every approved society, and every society desirous of becoming an approved society, shall give such security as the Minister of Health may consider sufficient to provide against any malversation or misappropriation by officers of the society of any funds coming to the hands of the society: N. H. I. A., 1924, s. 35.

Guarantee societies.

Special authority No. 6 (p. 28) authorises the formation of specially authorised societies for the purpose of giving to societies the security required by this section, and a friendly society which includes among its objects the purpose specified in s. 8 (1) (f), can guarantee the officers of the society or any branch thereof. It seems that a guarantee provided in the manner last mentioned would not constitute a compliance with

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a provision in the rules of the society, or any of its branches, for the giving of security by a guarantee society.

On the construction of a guarantee policy, see *Fifth Liverpool Starr-Bowkett Building Society* v. *Travellers Accident Insurance Co.* (1893), 9 T. L. R. 221. In a fidelity policy guaranteeing loss by larceny or embezzlement, the latter word must be construed in the same way as it would be in an indictment: *Debenham* v. *Excess Insurance Co.* (1912), 28 T. L. R. 505.

Accounts of officers.

55.—(1.) Every officer of a registered society or branch having receipt or charge of money shall, at such times as by the rules of the society or branch he should render account, or upon demand made, or notice in writing given or left at his last or usual place of residence, give in his account as may be required by the society or branch, or by the trustees or committee thereof, to be examined and allowed or disallowed by them, and shall, on the like demand or notice, pay over all sums of money and deliver all property in his hands or custody to such person as the society or branch, or the committee or the trustees, appoint.

This section applies only to officers who have receipt or charge of money; if it is desired to enforce payment of money or delivery of property belonging to a society or branch by any other officers or persons, it must be done by proceedings under s. 87 or by action. An officer of a society entrusted with moneys of the society jointly with another person who is a member but not an officer of the society, cannot be made to account in the summary manner provided by this section: see *Re Heanor Friendly Society* (1838), 1 Beav. 508.

The section imposes on the persons affected by it two obligations:—(i) to deliver accounts, and (ii) to pay money and deliver up property as required. The account must be delivered (i) at the times fixed by the rules, or (ii) upon demand or notice as in the section mentioned. The demand may be verbal and the notice in writing may be either given to the officer or left at his last or usual place of residence. Proof of making a demand or giving a notice is requisite to entitle the society to the summary remedy given by the section.

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(2.) In case of any neglect or refusal to deliver the account, or to pay over the sums of money or to deliver the property in manner aforesaid, the trustees or authorised officers of the society or branch may sue upon the bond or security before mentioned, or may apply to the county court or to a court of summary jurisdiction, and the order of either such court shall be final and conclusive.

Neglect or refusal.

"Neglect" seems to mean the omission without any reasonable excuse to do what is required: per Jessel, M. R., *Re London and Paris Banking Corporation* (1874), L. R. 19 Eq. 444, 446; whilst "refusal" connotes a wilful act, and cannot be implied where non-compliance is due to *vis major*: see *Re Richmond Gas Co.*, (1893) 1 Q. B. 56, 60.

Application High Court

If the society sue on the bond given under s. 54, it would seem that if the amount to be sued for exceeds 100*l.* the action must be commenced in the High Court, but if without putting the bond in suit the society seeks only to enforce delivery of an account or payment of the sums of money or delivery of property in the hands of the officer, the application may be made to the county court or a court of summary jurisdiction, though the power to make such application would appear to be permissive merely and not to exclude the jurisdiction of the High Court except by way of appeal in a case where the application is made to the inferior court in the first instance: cf. *Re Royal Liver Friendly Society* (1887), 35 C. D. 332. Where a society sued the treasurer and his surety in the High Court on a joint and several bond for 50*l.* and in the same action joined a claim against the treasurer for 90*l.* 9*s.*, moneys of the society, and the judge refused to certify that the case was fit to be tried in the High Court, the society was as against the surety only entitled to costs on the county court scale: *Duxbury* v. *Barlow*, (1901) 2 K. B. 23.

Application to county court.

If application is made to the county court it must be to the court within the district of which the defendant shall dwell or carry on his business at the time of commencing the action: County Courts Act, 1888 (51 & 52 Vict. c. 43), s. 74. The application shall, whether any bond be put in suit or not, be by action commenced by plaint and summons in the ordinary way, in which the society or the trustees or authorised officers thereof shall be plaintiffs, and the person against whom the application is made shall be defendant: C. C. R., Ord. XLI. r. 6. In every

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such action particulars of demand shall be filed: *Ib.* r. 8. If the application is made by action without putting the bond in suit, the particulars shall state shortly the nature of the thing required to be done or the neglect complained of: *Ib.* r. 9. If the thing required to be done be the delivering up of any property, the particulars shall contain a description of the property required to be given up: *Ib.* r. 10.

Application to court of summary jurisdiction.

A court of summary jurisdiction has power under this section to order delivery of an account by the officer, and payment of the money and delivery of the property of the society in his hands. The order, according to its nature, will be enforced in the method prescribed by the Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), ss. 34, 35. The statutory remedy to enforce payment of a civil debt provided by the latter section has not superseded the power to proceed by indictment for that purpose: *R.* v. *JJ. of Stafford* (1894), 29 L. J. 325.

The non-delivery of the account or property on demand would appear to be a continuing offence, see *Mayer* v. *Harding* (1867), 17 L. T. 140; but in the case of the demand to pay money, the jurisdiction of a court of summary jurisdiction would seem to be barred by 11 & 12 Vict. c. 43, s. 11, after six months have elapsed from the first demand being made, and a new demand at a subsequent period would not furnish a fresh cause of complaint: see *Harpin* v. *Sykes* (1885), 49 J. P. 148. It does not appear that there is any like time limit to proceedings in the county court under this section.

"Final and conclusive."

There is no appeal under this section, even though it is alleged that the real question at issue is the legality of the dismissal of the officer against whom the demand is made: *First Edinburgh and Leith 415th Starr-Bowkett Building Society* v. *Munro* (1883), 11 Rett. 5.

Payments on Death Generally.

Power of member to dispose of sums payable on his death by nomination.

56.—(1.) A member of a registered society (other than a benevolent society or working men's club) or branch thereof, not being under the age of sixteen years, may, by writing under his hand delivered at or sent to the registered office of the society or branch, or made in a book kept at that office, nominate a person to whom any sum of money payable by the society or branch on the

death of that member, not exceeding one hundred pounds, shall be paid at his decease. S. 56.

Recording of nominations.

Every nomination made by a member and every revocation and variation of a nomination shall be recorded by the society or branch, and for that recording the rules of the society may require the member to pay a sum not exceeding threepence: T. R. 25.

Manner of making a nomination.

A nomination is in the nature of a statutory will, and therefore in the making of a nomination the directions of the statute must be complied with. "Writing" must be construed as including a reference to printing: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 20, so that a nomination may be partly written and partly printed. No form is prescribed by the section, so that, unless the rules otherwise provide, it would appear that any writing under the member's hand would be a good nomination. The signature of the nominator is essential, and signature by another on his behalf and by his direction would appear to be invalid; it would seem that the signature of the nominator might be made by mark, and in a savings bank dispute it was held by the registrar that, under a regulation to the same effect as this section, a writing authenticated by mark was good, though he expressed the opinion that in the absence of attestation there was ground for requiring evidence of execution: *Re Gill* (1920), R. C. R. 63; but in Scotland a nomination authenticated by the member's mark only and the signatures of two witnesses is not a writing under the member's hand within the section: *Morton* v. *French,* (1908) S. C. 171. The nomination must be "delivered at or sent to the office of the society;" a nomination which upon its execution was taken possession of by the secretary of the society was held by the county court to be a good nomination: *Hughes* v. *Hardy* (1885), F. S. Cas. 402; but where the money is payable by the society or some other branch than that to which the member belongs, it is sufficient if the nomination is delivered or sent to the office of the branch to which the member belongs: sub-s. 6. The nomination must also be so delivered or sent during the lifetime of the member nominating, and a nomination produced to the society after the death of the member would be invalid. A nomination paper, although invalid as a nomination, if executed in accordance with the Wills Act can take effect as a testamentary disposition: *Re Baxter,* (1903) P. 12. The "money payable on the death of a member" which may be nominated by the member has been held by the chief registrar to mean money

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which is paid on the death of a member *simpliciter, i.e.*, an insurance under s. 8 (1) (b), and not money which by the rules of the society is earmarked for the relief or maintenance of a particular relative or relatives, *i.e.*, an insurance under s. 8 (1) (a): *McNamara* v. *Widows and Orphans Fund* (1914), R. C. R. 26. It would not, however, include money insured for the funeral expenses of another under s. 8 (1) (b).

Who may be nominated.

The nominee may be any person whatever, subject only to the qualification in sub-s. 3; where, however, the rules specify certain relations who may be nominated, but do not expressly exclude other persons, the generality of the statutory power is not restricted: *Lavin* v. *Howley* (1897), 102 L. T. J. 560. There seems no reason why the sum nominated might not be apportioned between several nominees.

When the sums payable exceed 100*l.*

If the sums payable by the society to the deceased member exceed 100*l.* a nomination of a part of the sum payable by the society to an amount not exceeding 100*l.* is valid: *Bennett* v. *Slater*, (1899) 1 Q. B. 45.

Policies of friendly societies assignable.

Policies effected under the F. S. A. are assignable in the ordinary way as well as by nomination under this section: *Re Griffin*, (1902) 1 Ch. 135; and *semble*, also moneys due to a member in a case where the society does not issue policies. If a policy is assigned and subsequently a nomination is made of the moneys payable thereunder, *quære*, whether the nominee's title prevails over that of the assignee, at any rate so as to deprive the assignee of the benefit: *Re Griffin*, (1902) 1 Ch. 135, 142.

(2.) The sum of money payable by the society or branch on the death of a member, shall include sums of money contributed to or deposited in the separate loan account and the sums of money accumulated for the use of the member under the provisions of this Act with interest thereon.

As to deposits in the separate loan account, see s. 46, and sums accumulated for a member's use, see s. 42.

(3.) The person so nominated must not be an officer or servant of the society or branch, unless that officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator.

For the definition of "officer," see s. 106.

(4.) A nomination so made may be revoked and varied by any similar document under the hand of the nominator, delivered, sent, or made as aforesaid.

Varying or revoking a nomination.

The power of revoking and varying a nomination is statutory and the directions of the statute must be strictly complied with as in the making of a nomination, see note to sub-s. 1, *supra*. A will cannot operate as a valid revocation of a nomination: *Bennett* v. *Slater*, (1899) 1 Q. B. 45; *M'Kee* v. *Meikle* (1893), 27 Ir. L. T. R. 100.

(5.) The marriage of a member of a society or branch shall operate as a revocation of any nomination theretofore made by that member under this section.

Revocation by marriage

As to payments made by a society in ignorance of a marriage subsequent to a nomination, see s. 60 (2). This provision was first enacted by the F. S. A., 1895, which came into operation on 1st January, 1896; it would not appear to apply to a marriage celebrated before that date, so as to affect a nomination made prior to such marriage. Marriage does not revoke a nomination made by a member of an unregistered friendly society whose rules provided for payment to the nominee of the member and did not provide for such revocation: *Haffenden* v. *Stamford Sick and Benefit Club* (1913), R. C. R. 223.

(6.) A nomination or a variation or revocation of a nomination by writing under the hand of a member of a registered branch and delivered at or sent to the registered office of that branch, or made in a book kept at that office, shall be effectual notwithstanding that the money to which the nomination relates or some part thereof is not payable by that branch, but is payable by the society or some other branch.

This sub-section was added by the F. S. A., 1908. See note to sub-s. 1. The amendment is designed to cover those cases where the insurance of a member of a branch is effected through the society or a superior branch.

Proceedings on death of a nominator.

57.—(1.) On receiving satisfactory proof of the death of a nominator, the society or branch shall pay to the

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nominee the amount due to the deceased member, not exceeding the said sum of one hundred pounds.

If the member nominates, then, whether he dies testate or intestate, the society is to pay to the nominee in preference to an executor or administrator, and the society failing to do so commits an offence under the Act, s. 84; but as to the rights of the next of kin or lawful representative of a deceased member against a nominee who has received payment, see s. 60 and note thereto (p. 135). If the member makes no nomination, and dies testate, the society must pay to his executor; but if he dies intestate the society may pay to his administrator, or the trustees may exercise the power conferred on them by s. 58 (1). In the case of a member domiciled in the Channel Islands or the Isle of Man, in default of a nomination payment must be made as directed in s. 105.

Satisfactory proof means reasonable, sufficient and proper evidence, and does not empower a society unreasonably or capriciously to refuse to be satisfied with such evidence or to require further evidence: see *Braunstein* v. *Accidental Death Insurance Co.* (1861), 31 L. J. Q. B. 17.

It has been held that if the nominee predecease the nominator, his legal personal representative is entitled to receive the money: *Caddick* v. *Highton* (1899), 68 L. J. Q. B. 281; but it is submitted that this decision is doubtful having regard to the testamentary nature of a nomination, as to which see the observations in *Re Griffin,* (1902) 1 Ch. 135, 140, and *Eccles Provident Industrial Co-operative Society* v. *Griffiths,* (1911) 2 K. B. 275, 284; (1912) A. C. 483, 490, and the Chief Registrar has declined to follow it: *Demee* v. *National Independent Mechanics' Friendly Society* (1919), R. C. R. 8; *Stabinsky* v. *Grand Order of the Sons of Jacob* (1920), R. C. R. 10; *Bold* v. *Liverpool Victoria Friendly Society* (1924), R. I. A. C. 106.

In making payments, the amount of loans advanced to a member with interest may be deducted: s. 45 (2).

Liability to duty.

To prevent frauds on the revenue, all payments are subject to the provisions of ss. 57 (3) and 59.

(2.) The receipt of a nominee over sixteen years of age for any amount so paid shall be valid.

Receipt by minor nominee.

If the nominee is under the age of sixteen, the society would be unable to get a discharge until he attained sixteen. The society cannot pay the money into Court (see p. 136).

(3.) If the total sum in respect to which a nomination may be made under this Act by a member, after deducting any sums of money payable under the rules of the society or branch, or otherwise, for the purpose of defraying funeral expenses, exceeds at the time of the death of that member eighty pounds, the society or branch shall before making any payment require the production of a duly stamped receipt for the succession or legacy duty payable thereon, or a letter or certificate from the Commissioners of Inland Revenue stating that no such duty is payable.

(4.) The Commissioners shall give such receipt, letter, or certificate on the payment of the duty or satisfactory proof of no duty being payable, as the case may be.

Sub-ss. 3 and 4 reproduce s. 10 (1) of the Provident Nominations and Small Intestacies Act, 1883 (46 & 47 Vict. c. 47), which by s. 1 of that Act was not extended to the Channel Islands and the Isle of Man. There is no such restriction in this Act on the extent of the application of these sub-sections.

Intestacy.

58.—(1.) If any member of a registered society or branch, entitled from the funds thereof to a sum not exceeding one hundred pounds, dies intestate and without having made any nomination thereof then subsisting, the society or branch may, without letters of administration, distribute the sum among such persons as appear to a majority of the trustees, upon such evidence as they may deem satisfactory, to be entitled by law to receive that sum, subject, if that sum, after making such deductions as aforesaid, exceeds eighty pounds, to the obtaining from the Commissioners of Inland Revenue a receipt for the succession or legacy duty payable thereon, or a letter or certificate stating that no such duty is payable.

(2.) If any such member is illegitimate, the trustees may pay the sum of money which that member might have nominated to or among the persons who, in the opinion of a majority of them, would have been entitled

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thereto if that member had been legitimate, or if there are no such persons, the society or branch shall deal with the money as the Treasury may direct.

As regards payments in default of nomination to a member domiciled in the Channel Islands or the Isle of Man, see s. 105.

Discretion of trustees.

The power of the society to distribute under this section is exerciseable by the trustees and not by the committee of management, and only arises when the member has died intestate *and* without having made any nomination of the moneys to which he is entitled subsisting at his death, and even then the power is entirely discretionary, and the trustees cannot be compelled by action to exercise that discretion: *Escritt* v. *Todmorden Co-operative Society*, (1896) 1 Q. B. 461. From this case, too, it might be inferred that if a nomination exhausted only a part of the moneys the society might under this section distribute the balance.

The rules of a society provided for a levy being made on a member's death and the payment thereof to certain specified relatives or his nominee; it was held by the chief registrar that a member who left no such relatives and no nominee did not die entitled to anything that could be distributed by the society and that his next of kin were not entitled to the sum levied on his death: *Tinkler* v. *London General Omnibus Company's, &c. Friendly Society* (1918), R. C. R. 7. Cf. *Ashby* v. *Costin* (1888), 21 Q. B. D. 401, 404.

Care is required in exercising the power under this section, for though it enables the society to dispense with strict legal evidence of relationship or title, it does not alter the legal title or allow the society to alter it or authorise the trustees to pick and choose among the next of kin of the deceased; thus where a society paid to one alone of the next of kin in accordance with the directions of the majority of them, the Court of Session held that as the majority had no right to dispose of the rights of the others, the society had not paid to a person "entitled by law," and the administrator could recover against the society: *Symington* v. *Galashiels Co-operative Store Co.* (1894), 21 Rett. 371.

Persons entitled by law.

The application of the effects of an intestate dying prior to the coming into operation of the Administration of Estates Act, 1925 (15 Geo. 5, c. 23), *i.e.*, January 1st, 1926, is regulated by the Statute of Distribution (22 & 23 Car. 2, c. 10), subject to the modifications made by 1 Jac. 2, c. 17, s. 7, and the Intestates'

Estates Act, 1890 (53 & 54 Vict. c. 29). Under these statutes, if the intestate leave a widow and issue, the widow takes a third; if he leave no issue she takes 500*l.*, together with a half of the remainder of the estate, or the whole if the estate does not exceed 500*l.* If the intestate leave children, then, subject to the widow's right, his effects shall be equally divided amongst them; but the descendants of such children as have died in the intestate's lifetime stand in the place of their parent or ancestor. If the intestate leave no children, or representatives of them, then, subject to the widow's right, his father takes the whole, or, if the father be dead, the mother, brothers, and sisters of the intestate take in equal shares, the children of a dead brother or sister taking their parent's share; brothers and sisters of the half blood have an equal claim with those of the whole blood, but a step-mother can take nothing. If there be neither mother, brother, nor sister of the intestate living, his personal estate will be distributed in equal shares amongst those who are next in degree of kindred to him; but with the exception of brothers' and sisters' children, no right of representation belongs to the children of relatives with respect to the shares which their deceased parents would have taken. The husband of a married woman is entitled to the whole of her effects: Statute of Frauds (29 Car. 2, c. 3), s. 25.

The distribution of the estate of an intestate dying on or after January 1st, 1926, is regulated by the Administration of Estates Act, 1925 (15 Geo. 5, c. 23), ss. 46, 47. If the intestate leave a husband or wife, the surviving spouse takes the personal chattels, and has a charge on the residue for a sum of 1,000*l.* free of duties and costs, with interest at 5 per cent. until payment or appropriation. Subject thereto, the surviving spouse takes a life interest in the whole of the residue, or if the intestate also leaves issue in a moiety only of the residue, the other moiety being held for the benefit of such issue on the trusts set out in the next sentence hereof, but for the surviving spouse for life if the trusts of such moiety determine in the lifetime of the surviving spouse. Subject to the said life interests, or if the intestate leave issue and no surviving spouse, the residue is held upon trust for all the children and issue of the intestate living at his death who attain the age of twenty-one years or marry under that age if more than one in equal shares *per stirpes*. If the intestate leaves no issue, then subject to the interest of a surviving spouse, the parents or parent of the intestate take the residue if more than one in equal shares, or if they are both dead the following persons living at the death of the intestate

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take and in the following order: (i) brothers and sisters of the whole blood; (ii) brothers and sisters of the half blood; (iii) grand-parents, if more than one, in equal shares; (iv) uncles and aunts being brothers and sisters of the whole blood of a parent of the intestate; (v) uncles and aunts being brothers and sisters of the half blood of a parent; (vi) the intestate's surviving spouse; (vii) the Crown. In each of the classes (i), (ii), (iv) and (v), the issue living at the death of the intestate of a member of the class then dead represent such person and take *per stirpes* the share he would have taken if living.

It would appear that in cases to which this last Act applies, a surviving husband or wife would, probably, in most cases be entitled to the moneys distributable under this section.

Deductions.

"Such deductions as aforesaid" refers to "deducting any sums of money payable under the rules of the society or branch or otherwise for the purpose of defraying funeral expenses," as mentioned in s. 57 (3).

Estate duty to be paid when the whole estate exceeds one hundred pounds.

59. When the principal value of the estate in respect of which estate duty is payable of any person entitled to make a nomination under this Act exceeds one hundred pounds, any sum paid under this Act without probate or letters of administration shall, notwithstanding such nomination or payment, be liable to estate duty as part of the amount on which that duty is charged, and the trustees of the society or branch may before making any such payment require a statutory declaration by the claimant, or by one of the claimants, that the principal value of that estate, including the sum in question, does not after deduction of debts and funeral expenses exceed the value of one hundred pounds.

This section reproduces in substance s. 10 (2) of the Provident Nominations and Small Intestacies Act, 1883 (46 & 47 Vict. c. 47), which by s. 1 of that Act was not extended to the Channel Islands and the Isle of Man. There is no such restriction in this Act in the extent of the application of this section.

It would appear prudent for the trustees in all cases to require the statutory declaration authorised by this section.

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Validity of payments.

60.—(1.) A payment made by a registered society or branch, under the foregoing provisions of this Act with respect to payments on death generally to the person who at the time appears to a majority of the trustees to be entitled thereunder, shall be valid and effectual against any demand made upon the trustees or the society or branch by any other person, but the next of kin or lawful representative of the deceased member shall have remedy for recovery of the money, so paid as aforesaid, against the person who has received that money.

(2.) Where the society or branch has paid money to a nominee in ignorance of a marriage subsequent to the nomination, the receipt of the nominee shall be a valid discharge to the society or branch.

Payments are made either under s. 57 to the nominee (p. 129), or under s. 58 on an intestacy where there is no nominee (p. 131).

Discharge to the society.

This section is intended to protect the society and the trustees thereof, who are freed from all claims if payments have been made in accordance with the provisions of the Act: see *Symington* v. *Galashiels Co-operative Store Co.* (1894), 21 Rett. 371; but the Act expressly saves the right of a person having a better title than the payee to recover from him the moneys so paid.

Person apparently entitled.

" Who at the time appears " means " reasonably appears " with reference to all the circumstances of the case and to the amount and the nature of the claim and the probability of the person claiming being the person who is entitled; thus a society is protected in paying money on the death of a member to his widow, although he may have left a will of which the society has no notice: *Nelson* v. *Royal London Friendly Society* (1890), *Post Magazine and Insurance Monitor,* vol. 51, p. 20.

Right of executor against a nominee.

There appears to be a presumption that a nominee is intended to take for his own benefit, unless he has by some anterior agreement intentionally put himself under a prior obligation: *Lavin* v. *Howley* (1897), 102 L. T. J. 560; and it is generally a question of evidence whether this is so or not, for the statutory provisions enable the society to pay to him but do not confer on him an absolute title, and after he has received the money he may be ordered to refund to the executor: *Biggs* v. *Lewis* (1890), 89 L. T. J. 47, though he may be entitled to retain sums he has

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expended for funeral expenses and the doctor's bill: *Hughes* v. *Parry* (1892), 93 L. T. J. 131. Where a testatrix subsequent to the execution of her will duly nominated the amount due to her by the Post Office Savings Bank at her decease in favour of one of her executors, and there was sufficient evidence to rebut the presumption that such executor should receive such amount as a gift, it was held that he received the same in his capacity of executor, and he was ordered to account for the same accordingly: *Re Read* (1896), 75 L. T. 295.

Where the rules of an unregistered society provided that every member should nominate a person to whom the benefit payable on death should be paid, it was held that the nomination merely conferred a title to collect the benefit for which the nominee was bound to account to the executor: *Young* v. *Waterson* (1918), S. C. 9.

The Married Women's Property Act, 1882 (45 & 46 Vict. c. 75), s. 11, appears capable of being applied to the policies of friendly societies, and contains similar provisions for the discharge of the society on making payments.

Registered societies are expressly excluded from the power of paying into Court moneys payable by them conferred by the Life Assurance Companies (Payment into Court) Act, 1896 (59 Vict. c. 8), s. 2.

The Forged Transfers Acts, 1891 and 1892 (54 & 55 Vict. c. 43; 55 & 56 Vict. c. 36), which empower a company to make compensation for losses arising from forged transfers or transfers under a forged power of attorney of shares, stock, or securities, and to provide funds for the purpose, and take precautions to guard against such losses, apply to an industrial, provident, friendly, benefit, or loan society incorporated (*sic*) by or in pursuance of any Act of Parliament as if the society were a company: 54 & 55 Vict. c. 43, s. 3.

Certificates of death.

61.—(1.) A registered society or branch shall not pay any sum of money upon the death of a member or other person whose death is or ought to be entered in any register of deaths, except upon the production of a certificate of that death under the hand of the registrar of deaths or other person having care of the register of deaths in which that death is or ought to be entered.

(2.) This section shall not apply to deaths at sea, nor to a death by a colliery explosion or other accident where

the body cannot be found, nor to any death certified by a coroner or procurator fiscal to be the subject of a pending inquest or inquiry.

See also in the case of a collecting society: I. A. A., s. 4 (2).

Except in the case of payments made on the death of children under ten years of age (s. 63), there is no restriction placed on payments by unregistered societies to which this section does not apply.

The certificate of death is the only evidence upon which a society can make payment in cases where the death is or ought to be entered on the register, except in those cases which are specified in the section. Payment without production of a certificate is an offence under the Act: s. 84. The production of the certificate is the only legal requirement; the society cannot retain the certificate unless the rules so provide.

Registered friendly societies and branches may obtain certificates at a reduced rate: s. 97.

The section does not apply to a death "at the front," as such death is not entered in "any register." A notification sent from the Military Record Office when a soldier is reported to have died may be accepted in place of a certificate: see *Liverpool Victoria Legal Friendly Society* v. *Head* (1915), 4 L. J. Cty. Ct. R. 75.

Payments on Death of Children.

Limitation amount payable.

62. A society or branch, whether registered or unregistered, shall not insure or pay on the death of a child under the ages hereinafter specified any sum of money which exceeds or which, when added to any amount payable on the death of that child by any other society or branch or by any trade union or industrial assurance company exceeds, the amounts hereinafter specified; that is to say:—

(a) In the case of a child under three years of age, six pounds;

(b) In the case of a child under six years of age, ten pounds;

(c) In the case of a child under ten years of age, fifteen pounds.

By the F. S. A., 1924, s. 2 (1), as from May 29th, 1924, this

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section is substituted for s. 62 both as originally enacted and as applied to trade unions and industrial assurance companies (*i.e.*, by the I. A. A., s. 4).

Sects. 62—67, which reproduce s. 28 of the F. S. A., 1875, have a wider scope than s. 61. They apply to unregistered as well as registered friendly societies and branches. They extend to trade unions, whether registered or unregistered, which insure or pay money on the death of a child under ten years of age: Trade Union Act Amendment Act, 1876 (39 & 40 Vict. c. 22), s. 2; Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 38 (1). Sects. 62, 64—67 as amended extend to industrial assurance companies, in respect of which s. 63 is re-enacted in an amplified form: I. A. A., s. 4 (p. 286); F. S. A., 1924, s. 2 (p. 361).

The insurance of children is not confined to children who are members of the society insuring, but a member of a registered friendly society or branch cannot legally insure the payment of any sum beyond the sum necessary for the funeral expenses of the child: see s. 8.

A policy purporting to provide for a payment in excess of the maximum payable under the section is void *in toto*, and not even the sum which might have been legally assured is payable, and the fact that the policy contains other provisions which are legal does not save it: *Connors* v. *London and Provincial Assurance Co.* (1913), 47 Ir. L. T. R. 148.

There is also the further prohibition on the insurance of children contained in the Children Act, 1908 (8 Edw. 7, c. 67), s. 7: see p. 261.

The prohibition in this section applies to the insuring as well as to the payment of a sum which exceeds the limits stated. A payment made in contravention of the section by any society, company, or trade union to which the section applies is made an offence under the Act by s. 84 (f); it would seem, however, that an insurance granted in contravention of the section is not made an offence under the Act in every case: it is so in the case of registered societies and branches by s. 84 (b), and in the case of industrial assurance companies by the effect of the I. A. A., ss. 4 and 39; but apparently it is not so in the case of unregistered societies which are not mentioned in s. 84 (b), or of trade unions which were not affected by s. 14 (3) (b) of the F. S. A., 1875, which is re-enacted by s. 84 (b).

It is submitted, however, that disobedience to the Act in those cases where no penalty is prescribed would be an indictable offence.

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Person to whom payment may be made.

63. A society or branch, whether registered or unregistered, shall not pay any sum on the death of a child under ten years of age except to the parent of the child, or to the personal representative of the parent, and upon the production by the parent or his personal representative of a certificate of death issued by the registrar of deaths, or other person having the care of the register of deaths, containing the particulars mentioned in this Act.

"Personal representative" presumably means executor or administrator. The particulars which the certificate must contain are specified in s. 64.

Payment by a society or branch on the death of a child under ten years otherwise than is provided by this Act is an offence: s. 84 (f); as from 1st January, 1924, this section no longer applies to a collecting society as to which the provision is re-enacted with amendments by the I. A. A., s. 4 (2).

Offences by parents or representatives of parents are enumerated in s. 84 (g).

Particulars of certificates.

64.—(1.) Where application is made for a certificate of the death of a child for the purpose of obtaining a sum of money from a society or branch, the name of the society or branch, and the sum sought to be obtained therefrom shall be stated to the registrar of deaths.

(2.) The registrar of deaths shall write on or at the foot of the certificate the words "to be produced to the society or branch (naming the same) said to be liable for the payment of the sum of *l.* (stating the same)."

(3.) All certificates of the same death shall be numbered in consecutive order.

For the provisions as to the fees to be charged by registrars of deaths when a certificate is required, see s. 97.

Cases in which certificates may be given.

65.—(1.) A registrar of deaths shall not give any one or more certificates of death for the payment in the whole of any sum of money exceeding six pounds on the death of a child under *five years* [three years], or for the pay-

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ment in the whole of a sum exceeding ten pounds on the death of a child under *ten years* [six years, or for the payment in the whole of a sum exceeding fifteen pounds on the death of a child under ten years].

The words in square brackets were, as from May 29th, 1924, by the F. S. A., 1924, s. 2 (2), substituted and inserted in this sub-section for the words in italics.

(2.) A registrar of deaths shall not grant any such certificate unless the cause of death has been previously entered in the register of deaths on the certificate of a coroner, or of a registered medical practitioner who attended the deceased child during its last illness, or except upon the production of a certificate of the probable cause of death under the hand of a registered medical practitioner, or of other satisfactory evidence thereof.

It is not quite clear what is meant by "other satisfactory evidence," but unless great caution be exercised in this, the evils against which the enactments relating to child-insurance are directed may arise.

Inquiries by societies.

66. A society or branch, whether registered or unregistered, to which is produced a certificate of the death of a child which does not purport to be the first shall, before paying any money thereon, inquire whether any and what sums of money have been paid on the same death by any other society or branch.

The payment must be (1) to the proper person; (2) upon production of a proper certificate; (3) upon inquiry as to the amount, if any, previously paid on the same death; and is (4) subject to the limitation that the amount paid must not exceed the limit imposed by s. 62.

Any evasion of or attempt to evade the provisions of the Act, either by a society or the person seeking to obtain payment, is an offence (s. 84 (f) (g)) for which the penalty is a fine of not more than 5*l.*: s. 89.

Although it seems (see p. 137) that the granting of an insurance in contravention of s. 62 is an offence, there seems to be

no obligation on a society, before insuring money on the death of a child, to inquire whether any and what sums of money have been insured on the same death by any other society or branch.

Saving as t insurable interests, &

67. Nothing in this Act respecting payments on the death of children shall apply to insurances on the lives of children of any age, where the person insuring has an interest in the life of the person insured.

Where a person insuring has an *insurable interest* in the child's life, then the restrictions in the preceding sections (ss. 62—66) do not apply. The nature of an insurable interest has to be determined with reference to the statutory restrictions on insurances which are effected by one person for his own benefit on the life of another; with regard to such insurances the Life Assurance Act, 1774 (14 Geo. 3, c. 48), which was extended to Ireland by the Life Insurance (Ireland) Act, 1866 (29 & 30 Vict. c. 42), s. 1, provided (1) that no insurance should be made by any person on any life in which he had no interest, or by way of gaming or wagering, and that every assurance made contrary to the true intent and meaning of the Act should be null and void to all intents and purposes whatsoever; (2) that no policy should be granted without inserting the names of the persons benefiting thereunder; (3) that in cases of an interest in a life the amount to be recovered should not exceed that interest.

Policies effected without insurable interest.

The interest which is insurable within the Act must be a pecuniary one: *Halford* v. *Kymer* (1830), 10 B. & C. 724, and proof of such interest and the extent of it is in general essential to the validity of a policy. But in some cases an insurable interest is presumed without any necessity for proof of the existence or extent of a pecuniary interest on the ground that such cases are not within the mischief of the Act; thus it is presumed that a man has an insurable interest in his own life: *Wainwright* v. *Bland* (1836), 5 L. J. Ex. 147; a wife in the life of her husband: *Reed* v. *Royal Exchange Assurance Co.* (1795), Peake, Add. Cas. 70; and a husband in the life of his wife: *Griffiths* v. *Fleming*, (1909) 1 K. B. 805; *Huckman* v. *Fernie* (1838), 7 L. J. Ex. 163; *Wight* v. *Brown* (1849), 11 D. 459. By Scots law it would seem a father has an insurable interest in his son's life: see *Carmichael* v. *Carmichael's Executrix* (1919), S. C. 636.

Insurable interest.

A parent has no insurable interest in a child's life in the absence of a pecuniary interest: *Halford* v. *Kymer* (1830), 10

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B. & C. 724; and no such interest is created by reason of expenses incurred in the child's maintenance and education: *Worthington* v. *Curtis* (1875), 1 C. D. 419; likewise a child has no insurable interest in a parent's life merely because such parent is dependent on him: *Howard* v. *Refuge Friendly Society* (1886), 54 L. T. 644; or in a step-father: *Greenslade* v. *London and Manchester Industrial Assurance Co.* (1913), 2 L. J. Cty. Ct. R. 62; nor does the expectation of being some day under a moral obligation to pay the funeral expenses of a relative confer an insurable interest: *Harse* v. *Pearl Life Assurance Co.*, (1903) 2 K. B. 92; but policies assuring funeral expenses effected with a collecting society or industrial assurance company before December 3rd, 1909, are now not necessarily void for want of insurable interest, and may now be effected in the case of certain relatives by such societies and companies (I. A. A., ss. 3 and 30), and a voluntary promise to maintain a child, and the expenditure of money for that purpose with the reasonable expectation that the child would ultimately repay the money creates an insurable interest in the child's life at any rate to the extent of the amount actually paid on its behalf: *Barnes* v. *London, Edinburgh and Glasgow Life Insurance Co.*, (1892) 1 Q. B. 864, as explained by Alverstone, C. J., in *Harse* v. *Pearl Life Assurance Co.*, (1903) 2 K. B. at p. 96; but the decision was questioned by Kennedy, L. J., in *Griffiths* v. *Fleming*, (1909) 1 K. B. 805, 819.

Person benefiting to be named.

There is nothing to prevent a person *bonâ fide* insuring his own life as often as he pleases for his own benefit, even though at the time he has the intention of assigning the policies to another; but if, *ab initio*, the policy is really and substantially meant for the benefit of another, and that fact is concealed, the person interested cannot recover on the policy: *M'Farlane* v. *Royal London Friendly Society* (1886), 2 T. L. R. 755; *Forgan* v. *Pearl Life Assurance Co.* (1907), 51 S. J. 230.

By the Children Act, 1908 (8 Edw. 7, c. 67), s. 7, a person by whom an infant, in respect of which notice is required to be given under Part. I. of that Act, is kept shall be deemed to have no interest in the life of the child for the purposes of the Life Assurance Act, 1774.

Effect of the statute.

The Life Assurance Act, 1774, is a defence for the society only, and if the society does not avail itself of the defence but pays, the right to the insurance moneys must be determined as if the statute did not exist: *Worthington* v. *Curtis* (1875), 1 C. D. 419; *Hadden* v. *Bryden* (1899), 1 Fr. 710; *Attorney-General* v. *Murray*, (1904) 1 K. B. 165; but it has been held that in an

action against an insurance company, if the circumstances disclosed show the policy to be illegal, the Court cannot properly ignore the illegality or give effect to the claim even if the illegality be not pleaded or relied on by the defendants: *Gedge* v. *Royal Exchange Assurance Corporation,* (1900) 2 Q. B. 214; but a society was estopped from denying the validity of a policy which, being invalid by statute, was represented as valid by an agent of the society to an intending assignee who took an assignment thereof for value *bonâ fide* and without notice: *Robinson* v. *Loyal Philanthropic Friendly Society* (1905), 119 L. T. J. 414.

Premiums generally irrecoverable

A person who has effected a void policy cannot recover the premiums he has paid: *Howard* v. *Refuge Friendly Society* (1886), 54 L. T. 644; *Elson* v. *Crookes* (1912), 106 L. T. 462; not even when the policy was effected in reliance on a representation made innocently by an agent of the society that the policy would be valid; *Harse* v. *Pearl Life Assurance Co.,* (1904) 1 K. B. 558; *Phillips* v. *Royal London Mutual Insurance Co.* (1911), 105 L. T. 136; *Evanson* v. *Crooks* (1912), 106 L. T. 264; *MacDowell* v. *London and Edinburgh Insurance Co.* (1901), 45 S. J. 716; although such representation was made in the presence of a superintendent of the company who knew it to be false but was not proved to have taken part in the negotiations or acquiesced in the statement: *Jones* v. *Refuge Assurance Co.* (1904), 39 L. J. 341; but the premiums would be recoverable if it was proved that the representation on which the assured acted was made fraudulently; *British Workman's and General Assurance Co.* v. *Cunliffe* (1902), 18 T. L. R. 425, 502; *Hughes* v. *Liverpool Victoria Legal Friendly Society,* (1916) 2 K. B. 482; cf. *Refuge Assurance Co.* v. *Kettlewell,* (1909) A. C. 243; *Tucker* v. *Prudential Assurance Co.* (1910), 129 L. T. J. 166; but the plaintiff must also prove he did not participate in the fraud of the agent: *Howorth* v. *Pioneer Life Assurance Co.* (1912), 107 L. T. 155. But in the case of an industrial assurance policy, the applicability of the decisions has been considerably qualified by the provisions of ss. 5 and 20 of the I. A. A.

except in ca of fraud.

No action can be brought before the death of the assured to obtain a declaration of liability on a policy which the company has repudiated: *Honour* v. *Equitable Life Assurance Society,* (1900) 1 Ch. 852.

S. 68.

Disputes.

Decision of disputes.

68.—(1.) Every dispute between—

(a) a member or person claiming through a member or under the rules of a registered society or branch, and the society or branch or an officer thereof; or

(b) any person aggrieved who has ceased to be a member of a registered society or branch, or any person claiming through such person aggrieved, and the society or branch, or an officer thereof; or

(c) any registered branch of any society or branch and the society or branch of which it is a branch; or

(d) an officer of any such registered branch and the society or branch of which that registered branch is a branch; or

(e) any two or more registered branches of any society or branch, or any officers thereof respectively,

shall be decided in manner directed by the rules of the society or branch, and the decision so given shall be binding and conclusive on all parties without appeal, and shall not be removable into any court of law or restrainable by injunction; and application for the enforcement thereof may be made to the county court.

In clause (b) the words " for not more than six months," which followed the word " has," were repealed by the F. S. A., 1908, s. 6.

Societies subject to this section.

This section applies only to registered societies and branches, and to a certain extent ousts the jurisdiction of the Courts in disputes in which such societies or branches are concerned.

Disputes with a society, whether registered or unregistered, and a member by reason of the matters mentioned in s. 43 (p. 95), are governed by that section, and in the case of collecting societies, provision is made for the settlement of disputes by the I. A. A., s. 32 (p. 330). Unregistered societies cannot take advantage of this section, and in the cases mentioned above there

is no provision in the Acts relating to friendly societies dealing with disputes in which unregistered societies are concerned. Whether the registration of an unregistered society or branch would bring within the section a dispute which arose before registration, *quære:* see *Smith* v. *Pryse* (1857), 26 L. J. Q. B. 95.

Approved societies.

Disputes between an approved society or a branch thereof and a person who is or has ceased to be a State insured member, or any person claiming through him or between an approved society and a branch, or between two or more branches relating to matters under the N. H. I. A., 1924, and regulations thereunder, and a dispute between an approved society and any person as to whether he is or was at any date a State insured member, are to be decided in accordance with the rules of the society, but an appeal lies to the Minister of Health, and any dispute between an insured person and an Insurance Committee relating to the said matters shall be decided by the Minister, who may authorise referees appointed by him to decide any such appeal or dispute, and make regulations as to the procedure on any such appeal or dispute, and such regulations may apply any of the provisions of the Arbitration Act, 1889, which, except so far as it may be so applied, shall not apply to such appeal, and any decision by the Minister or a referee shall be final and conclusive: N. H. I. A., 1924, s. 90. In any appeal or dispute submitted to the Scottish Board of Health, the Board or the referees may state a case on any question of law for the opinion of the Court of Session, whose decision shall be final: N. H. I. A., 1924, s. 114 (5).

Summary of the section.

I. Disputes must be decided in the manner directed by the rules of the society or branch, and such decision is conclusive and not subject to appeal and is enforceable by the county court: sub-ss. 1 and 8. II. By consent the dispute may be referred to the registrar, whose decision is also conclusive and is enforceable in like manner: sub-ss. 2—4. III. Where the rules direct the reference of a dispute to justices, the dispute must be determined by a court of summary jurisdiction or, by consent, by the county court: sub-s. 5. IV. If the rules contain no direction for settling disputes (as can only occur in the case of a society which, registered prior to 1st January, 1876, has not since registered a complete amendment of rules), or if no decision is made within forty days after application to a society or branch for a reference under the rules, the member or person aggrieved may apply either to a court of summary jurisdiction or a county court:

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sub-s. 6. V. In any dispute referred under the rules, *i.e.*, under cases I.—III. above, the Court registrar or arbitrator is not compellable to state a case: sub-s. 7.

Parties to disputes within the section.

The disputes, for the determination of which this section provides, are those (i) between a member or a person claiming through a member, or under the rules, or a person aggrieved, or a person claiming through such person and the society or branch, or any officer thereof, and (ii) between a branch or an officer thereof and the society or superior branch or their officers, and (iii) between two branches.

"Person claiming through a member" includes his nominees, where the rules permit nomination: s. 106.

"Member or person aggrieved" would seem to include trustees who, not being themselves members of the society, and not acting with the authority and sanction of the members, were in *Hull* v. *M'Farlane* (1857), 27 L. J. C. P. 41, held not to be "persons interested" within s. 41 of 18 & 19 Vict. c. 63, so as to enable them to institute proceedings of their own accord for the purpose of controlling proposed alterations in the rules. For the meaning of person aggrieved, see p. 212.

Nature of the dispute.

A dispute to which the section applies must be between the society and a person in his capacity as a member, or claiming through a member as such, *e.g.*, a dispute as to the propriety of the mode of convening and the manner and place of holding meetings for the purpose of altering the rules: *Hoey* v. *M'Farlane* (1858), 4 C. B. N. S. 718; as to the construction of the rules: *Ex p. Payne* (1849), 18 L. J. Q. B. 197; *Trott* v. *Hughes* (1850), 16 L. T. J. 260; *Stone* v. *Liverpool Marine Society* (1894), 63 L. J. Q. B. 471; whether an act of the committee purporting to bind the society is *ultra vires*: *Cox* v. *Hutchinson*, (1910) 1 Ch. 513; as to the distribution of a fund in the hands of the trustees: *Grinham* v. *Card* (1852), 21 L. J. Ex. 321; as to the conduct of an officer involving his expulsion from the society: *Glasgow District A. O. F.* v. *Stevenson* (1899), 37 Sc. L. R. 12; or whether money deposited by a member has, in fact, been repaid or not: *Melrose* v. *Adam* (1897), 34 Sc. L. R. 346; and claims for money payable on death: *R.* v. *Justices of Dublin* (1891), 28 L. R. Ir. 516; or for sick pay: *Re Hogg* (1898), 14 T. L. R. 210; *Catt* v. *Wood*, (1910) A. C. 404; or a dispute between two persons claiming through a member: *Lewis* v. *Paulton* (1907), 14 Sc. L. T. 818.

Disputes with past members.

For the reason that the section only refers to disputes to which a member is a party, a dispute whether a person expelled

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from a society had been properly expelled or was entitled to be reinstated was formerly held to be within the jurisdiction of the High Court, because the society by upholding his expulsion denied his membership: *Prentice* v. *London* (1875), L. R. 10 C. P. 679; *Willis* v. *Wells,* (1892) 2 Q. B. 225; *Palliser* v. *Dale,* (1897) 1 Q. B. 257; but sub-s. 8, *infra,* which was added by the F. S. A., 1908, is intended to include within the section disputes of this class with past members so as to exclude the jurisdiction of the High Court therein, and by reason of the repeal of the time limit in sub-s. 1 (b), any dispute of this nature where a past member is concerned would seem to be determinable in accordance with the rules notwithstanding the lapse of any time from the cessation of his membership. Sub-s. 8, however, also expressly limits the application of the section to disputes with a past member to matters arising during his membership or out of his relation as member. A member claiming a benefit was asked to withdraw the claim on account of strain on the funds and on refusal the society passed a resolution of expulsion and referring the claim to arbitration: it was held that there was no dispute in any legal sense which could be the subject of a reference, and that the society having assumed to expel the plaintiff was estopped from asserting his membership for the purposes of arbitration under the rules, and *Palliser* v. *Dale* applied: *Viccars* v. *Gt. Horwood Victoria Male Friendly Society* (1916), 5 L. J. Cty. Ct. R. 91.

Apart from sub-s. 8, if a member submits a dispute between himself and the society to arbitration, and it is decided against him, and he is subsequently expelled, he cannot bring an action to reopen the question: *Crichton* v. *Dalry Myrtle Lodge* (1904), 6 Fr. 398. If a member whose membership is disputed has obtained judgment in the county court in his favour and consequential relief, there is no appeal on the ground of the county court having no jurisdiction by the statute unless the objection has been taken in the county court: see *Taylor* v. *National Amalgamated Approved Society,* (1914) 2 K. B. 352.

Disputes not within the section.

Except in cases to which sub-s. 8 is applicable, when the matter in dispute is not one between the society and a person in his capacity as a member, *e.g.*, where the relation between them is that of mortgagor and mortgagee, the ordinary legal remedies are applicable: *Morrison* v. *Glover* (1849), 19 L. J. Ex. 20; *R.* v. *Trafford* (1854), 24 L. J. M. C. 20; *Fleming* v. *Self* (1854), 24 L. J. Ch. 29; *Mulkern* v. *Lord* (1879), 4 A. C. 182; therefore a society can maintain an action against a member

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on his covenant in a mortgage: *Western Suburban Building Society* v. *Martin* (1886), 17 Q. B. D. 609; or an action of ejectment: *Doe* d. *Morrison* v. *Glover* (1850), 15 Q. B. 103; or an action to recover moneys received by him as an officer of the society and retained by him: *Sinden* v. *Bankes* (1861), 30 L. J. Q. B. 102; *Municipal Permanent Building Society* v. *Richards* (1888), 39 C. D. 372. The officers of a branch who divided the branch funds in breach of the rules which provided that money so divided should be forfeited to the general fund of the society were held to be liable to be sued as trustees and that this right of action against them was not taken away by s. 68: *Winter* v. *Wilkinson*, (1915) 1 Ch. 317. A dispute whether certain rules of the society are *ultra vires* appears to be not within the section: see *McEilistrim* v. *Ballymacelligott Co-operative Agricultural and Dairy Society*, (1919) A. C. 548; nor a dispute as to the validity of a resolution of the society purporting to limit the evidence prescribed by the rules which a member must furnish as a condition of relief: *Heard* v. *Pickthorne*, (1913) 3 K. B. 299. A question as to the illegality of the rules is not a matter of domestic administration and cannot properly be made the subject of an arbitration under the Act: see *Re Quinn and National Catholic Benefit and Thrift Society*, (1921) 2 Ch. 318.

If a society dispute the right of an administrator of a deceased member to represent that member, the jurisdiction of the Court is not ousted by a direction in the rules concerning disputes: *Symington* v. *Galashiels Co-operative Store Co.* (1894), 21 Rett. 371; the jurisdiction of the Court is not excluded where it is averred that the society has acted in violation of its rules and constitution, and a claim for a declaration that the election of a member of the board of management is void can be brought without reduction of the minutes of the meeting at which he was appointed: *McGowan* v. *City of Glasgow Friendly Society*, (1913) S. C. 991. In a Scotch case a member of a society who had been expelled claimed to have his case adjudicated according to the rules, which was refused, and in an action by him it was held that, reinstatement not being sufficient, he was entitled to damages out of the funds of the society for the loss of benefits since his expulsion owing to the violation of the rules by the society's officers: *Blue* v. *Pollock* (1866), 4 Macph. 1042; cf. *Gall* v. *Loyal Glenbogie Lodge* (1900), 2 Fr. 1187. But in England it has been held that a member of a trade union who had been expelled by the committee contrary to the rules could maintain an action for a declaration that he was still a member

and for an injunction, but could not recover damages for breach of the contract contained in the rules as the committee who were responsible for breaking the contract were acting as agents for the plaintiff equally with his fellow members: *Kelly* v. *National Society of Operative Printers' Assistants* (1915), 84 L. J. K. B. 2236.

Exclusiven of jurisdiction.

The words "shall be decided" are imperative and oust all other jurisdiction, except such as is conferred by the consent of the parties, or arises when no decision is made within the time limited by statute: *Reeves* v. *White* (1852), 21 L. J. Q. B. 169. In Ireland, where the rules provided for arbitration, an action in the county court was dismissed, without prejudice, with costs: *Dugan* v. *Lodge of Ancient Shepherds* (1898), 33 Ir. L. T. R. 14. Where the rules of a society provided that disputes should be settled by one of the divisional magistrates of the City of Dublin, the Recorder of Dublin had no jurisdiction in a dispute: *M'Caffrey* v. *M'Mahon* (1901), 35 Ir. L. T. R. 97; but the onus of showing that a complaining party has lost the ordinary right to maintain an action lies on him who denies such right: per Lord O'Hagan, *Mulkern* v. *Lord* (1879), 4 A. C. 182. The Court will stay proceedings in an action even though the number of arbitrators prescribed by the rules had not been appointed at the commencement of the action, and arbitrators may be appointed by the society after the dispute has arisen; if the society neglects to appoint arbitrators in accordance with the rules, the proper course for the member is to apply for a mandamus to compel them to do so: *Norton* v. *Counties Conservative Permanent Benefit Building Society*, (1895) 1 Q. B. 246; cf. *Ex p. Young* (1896), 40 S. J. 338.

Decision conclusive.

The decision of a dispute which is protected from review is one which is made "according to the rules"; therefore, where a member was called before an arbitration committee on one charge and in his absence expelled on a different one, of which no notice was given him according to the rules, the decision was held to be void: *Andrews* v. *Mitchell*, (1905) A. C. 78; cf. *M'Kernan* v. *Greenock Lodge* (1873), 11 Macph. 548. So, too, where the committee of a society passed a resolution expelling a member, without having formulated any charge against him or heard him, the county court had jurisdiction to declare the resolution a nullity: *Wayman* v. *Perseverance Lodge*, (1917) 1 K. B. 677. Where a society declared premiums and insurance moneys forfeited without notice to the administratrix of the deceased member, and without arbitration although it was applied

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for, the forfeiture was declared null: *Barker* v. *Loyal Friend in Need Lodge* (1919), 8 L. J. Cty. Ct. R. 36, 93. But the decision of a dispute will not be invalid merely because of irregularities or even want of jurisdiction if the parties have acquiesced either expressly or impliedly in the irregularities or in the jurisdiction; thus where the rules directed a reference to arbitration and the member, notwithstanding the arbitrators were not properly appointed, agreed in writing to be bound by their decision, the award was upheld: *R.* v. *Evans* (1854), 23 L. J. M. C. 100. Where a member applied to the justices, although the rules did not direct disputes to be referred to them, and no objection having been raised by the society, an order was made, the society was not entitled to a *certiorari* to quash the order: *R.* v. *West London Philanthropic Burial Society* (1869), 33 J. P. 614. An action cannot be maintained against a magistrate for enforcing an order of justices made without jurisdiction because the rules directed a reference to arbitration, when it appears there was no defence and the jurisdiction was not questioned at the time: *Pike* v. *Carter* (1825), 10 Moore, C. P. 376.

Where the rules direct a reference to justices, there is no appeal from their decision, in spite of the general words of the Summary Jurisdiction Act, 1857 (20 & 21 Vict. c. 43), s. 2: *Callaghan* v. *Dolwin* (1869), L. R. 4 C. P. 288.

To produce finality there must be a decision; where the rules provide that disputes should be settled by the sheriff of the county, the Act excludes a review by the Court of Session of a judgment on the merits by the sheriff-principal, but does not exclude review by the sheriff-principal of a judgment by the sheriff-substitute dismissing the action as incompetent: *Leitch* v. *Scottish Legal Burial Society* (1870), 9 Macph. 40. This case did not, however, decide whether a judgment on the merits by the sheriff-substitute could have been appealed to the sheriff-principal.

Where the rules give power to expel a member from the society, and the tribunal in which the power of expulsion is vested does in fact exercise the power under the rules, the decision cannot be questioned, however unfounded the reasons for it may have been, but the tribunal is bound in the exercise of its functions by the rule that no man shall be condemned to consequences resulting from alleged misconduct unheard and without having an opportunity of making his defence: *Wood* v. *Wood* (1874), L. R. 9 Ex. 190, 196. A decision purporting to

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expel a member, and made in breach of this principle, is null and void: *Fisher* v. *Keane* (1878), 11 C. D. 353; *Labouchere* v. *E. of Wharncliffe* (1879), 13 C. D. 346; cf. *Lapointe* v. *L'Association de Bienfaisance, &c.*, (1906) A. C. 535; *Burn* v. *National Amalgamated Labourers' Union*, (1920) 2 Ch. 364.

Where a rule of an unregistered society established for the purposes of a scheme certified under the Workmen's Compensation Act, 1897, provided that the decision of the committee of disputes in certain specified cases should be final and conclusive, the jurisdiction of the Courts is not ousted except in such specified cases: *Haworth* v. *Andrew Knowles and Sons (Ltd.) Accident Society* (1903), 19 T. L. R. 658; it is otherwise, if the committee have power to determine all claims under the scheme: *Allen* v. *G. E. R. Co.*, (1914) 2 K. B. 243.

Enforceme of a decisi

When the dispute is decided in the manner directed by the rules the county court has jurisdiction to enforce the award, whether it is made by arbitrators or the registrar or a court of summary jurisdiction; but though the section prevents applications for enforcement of decisions from being made to any other Court of law except the county court, it does not forbid the enforcement by other means than legal process, *e.g.*, where the rules of the society so provide, by the suspension or expulsion of a member for non-compliance with the decision: *Catt* v. *Wood*, (1910) A. C. 404; although, strictly speaking, suspension and expulsion are not proceedings to enforce a decision, they are penalties for non-compliance therewith, and assume and acquiesce in such non-compliance. In an action to enforce an award the county court is the tribunal to decide in the first instance whether on the facts the dispute was one which could be decided in manner provided by the rules: *Skipton Industrial Co-operative Society* v. *Prince* (1864), 33 L. J. Q. B. 323; and if the award is not within the power of the arbitrators to make, *e.g.*, an order by a district to a lodge to reinstate a member, it is not enforceable: *Gall* v. *Loyal Glenbogie Lodge* (1900), 2 Fr. 1187; but a member who had been expelled from the society by his branch and had had that decision reversed by a superior tribunal of the society was held entitled to obtain in the sheriff's court by way of enforcement of the decision in his favour a declaration that he was a member and entitled to certain payments and an order for payment thereof: *Collins* v. *Barrowfield Lodge*, (1915) S. C. 190; and if the arbitration committee has ordered an officer to deliver up books in his possession, having power to do so, the sheriff court has no jurisdiction in an action to enforce

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the award to inquire into the question of the right of property in the books: *Glasgow District A. O. F.* v. *Stevenson* (1899), 37 Sc. L. R. 12; but the High Court has no jurisdiction to set the award aside: *Re Gollings and Peterborough Tradesmen's Friendly Society* (1891), 64 L. T. 775, unless there is an error on the face of it, or it is shown to have been corruptly obtained: *Armitage* v. *Walker* (1855), 2 K. & J. 211; cf. *Bache* v. *Billingham*, (1894) 1 Q. B. 107; or was clearly improper: *Andrews* v. *Mitchell*, (1905) A. C. 78.

rocedure.

An application for the enforcement of a decision on a dispute given by any authority other than the county court or for the enforcement of an award, shall be commenced by plaint and summons in the ordinary way in which the party to the dispute or award entitled or claiming to be entitled to the benefit of such decision or award shall be plaintiff, and the party against whom such decision or award is given shall be defendant. Particulars of demand shall be filed with every such application stating concisely the relief or order which the plaintiff claims: C. C. R. Ord. XLI. r. 4.

eference to rbitration.

If the rules provide that disputes shall be referred to arbitration, the provisions of the rules for electing arbitrators and conducting the arbitration must be followed, at any rate, in all matters of substance as opposed to matters of mere form, otherwise the decision arrived at will not be a decision according to the rules, and so protected by the Act from review: see *Andrews* v. *Mitchell*, (1905) A. C. 78.

The Arbitration Act, 1889 (52 & 53 Vict. c. 49), appears to apply by virtue of s. 24 of that Act, to every arbitration under this Act as if such arbitration were pursuant to a submission (*i.e.*, a written agreement to submit differences to arbitration), except so far as the Arbitration Act is inconsistent with this Act or the rules or procedure authorised or recognised by this Act (see sub-s. 7, *infra*). Where the rules provide for disputes being settled by arbitration, the assent of a member to the rules, whether given expressly or impliedly by becoming a member, would appear to amount to a submission to arbitration within the meaning of ss. 24 and 27 of the Arbitration Act, 1889: cf. *Baker* v. *Yorkshire Fire and Life Assurance Co.*, (1892) 1 Q. B. 144; *Hickman* v. *Kent or Romney Marsh Sheepbreeders' Association*, (1915) 1 Ch. 881. If an arbitration were conducted and an award made under the Arbitration Act, there seems some doubt whether the award so made could be enforced under this Act by the county court: see *Jessop* v. *Huddersfield Indus-*

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trial Society (1899), 80 L. T. 598, in which case the Court declined to decide whether the Arbitration Act was applicable to the arbitration of an industrial and provident society, though intimating that it and similar societies had power to frame rules so as either to include or exclude the provisions of the Arbitration Act, 1889.

As far as friendly societies registered in Scotland are concerned, the Arbitration (Scotland) Act, 1894 (57 & 58 Vict. c. 13), would apply to arbitrations conducted in that country under the rules of such societies.

Conduct of arbitration.

In an arbitration it is competent for the arbitrators to decline to hear counsel: *Re Macqueen* (1861), 9 C. B. N. S. 793; and arbitrators are bound to observe the rules of evidence: *Re Enoch and Zaretzky,* (1910) 1 K. B. 327.

The arbitrators should give notice of their intention to proceed. Where the rules of a friendly society stated that all notices should be deemed duly served by putting the same into the post directed to the member according to the last entry on the register, it was held that this rule applied only to ordinary notices, and not to a notice by the arbitrators as to a matter in difference: *Hilton* v. *Hill* (1863), 9 L. T. 383.

Where a dispute is referred to the decision of more than one arbitrator, all must concur in the making of the award, otherwise it is invalid: *United Kingdom Mutual Steamship Assurance Association* v. *Houston,* (1896) 1 Q. B. 567.

(2.) The parties to a dispute in a registered society or branch may, by consent (unless the rules of the society or branch expressly forbid it), refer the dispute to the chief registrar, or in Scotland or Ireland to the assistant registrar.

(3.) The chief or other registrar to whom a dispute is referred shall, with the consent of the Treasury, either by himself or by any other registrar, hear and determine the dispute, and shall have power to order the expenses of determining the dispute to be paid either out of the funds of the society or branch, or by such parties to the dispute as he may think fit, and his determination and order shall have the same effect and be enforceable in like manner as a decision made in the manner directed by the rules of the society or branch.

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(4.) The chief or other registrar to whom a dispute is referred may administer oaths, and may require the attendance of all parties concerned, and of witnesses, and the production of all books and documents relating to the matter in question.

Power of registrar to determine disputes.

The jurisdiction of the registrar to determine disputes arises only by consent of the parties who may agree to refer a dispute to him, whatever may be the direction in the rules for the settlement of disputes, provided only that such reference is not expressly forbidden by the rules and the dispute is not one which comes within s. 43. In the case of collecting societies, disputes may be referred to the registrar by either party to the dispute if the claim does not exceed 25*l.* and the legality of the policy is not questioned and fraud or misrepresentation is not alleged or in any case by consent without restriction of the amount claimed or the question to be decided: I. A. A., s. 32 (p. 330).

Reference to registrar.

Every reference of a dispute to the chief or assistant registrar shall be written on foolscap paper in duplicate in Form M (p. 522): T. R. 26. Such registrar, upon receipt of the reference, shall transmit one copy of it to the Treasury for their consent: T. R. 27. The fee for the determination of a registrar on a dispute where the matter is settled without a hearing or upon one hearing without adjournment is 2*l.* (p. 220); this fee has to be sent to the registrar with the reference. If more than one hearing or adjournment become necessary, 2*l.* more is payable in advance for every hearing after the first and every adjournment.

The reference of the dispute to the registrars in Form M is a submission to arbitration within the meaning of the Arbitration Act, 1889, s. 27, and consequently that Act applies to such reference, except in so far as it is inconsistent with this Act or the rules or procedure authorised or recognised by this Act.

Hearing before registrar.

Every notice of hearing by the chief or assistant registrar, and every requisition for the attendance of parties and witnesses, and the production of books and documents, shall be in Form N (p. 523): T. R. 28. Where it is necessary to enforce the attendance of a particular witness or the production of a particular document, notice shall be in Form O (p. 523): T. R. 29. Oaths in sub-s. 4 includes affirmations and declarations: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 3.

Refusing to attend or to produce any documents or to give evidence before a registrar are offences under the Act: s. 84 (c).

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Order of registrar.

The determination and order of the chief or assistant registrar shall be in Form S (p. 526), or as near thereto as the circumstances of the case may in his judgment allow: T. R. 32. The determination or order made by a registrar is binding and conclusive without appeal, and may be enforced by application to the county court (sub-s. 1), but if the order merely directs payment of costs or expenses, such costs or expenses may be recovered before a court of summary jurisdiction: s. 91 (3).

(5.) Where the rules of a registered society or branch direct that disputes shall be referred to justices, the dispute shall be determined by a court of summary jurisdiction, or, if the parties thereto consent, by the county court.

(6.) Where the rules contain no direction as to disputes, or where no decision is made on a dispute within forty days after application to the society or branch for a reference under its rules, the member or person aggrieved may apply either to the county court, or to a court of summary jurisdiction, and the court to which application is so made may hear and determine the matter in dispute; but in the case of a society with branches the said forty days shall not begin to run until application has been made in succession to all the bodies entitled to determine the dispute under the rules of the society or branch, so however that no rules shall require a greater delay than three months between each successive determination.

Court of summary jurisdiction.

A court of summary jurisdiction has power to settle disputes only (1) if the rules of the society expressly direct that disputes shall be referred to such court or to justices, in which case the jurisdiction is exclusive (sub-ss. 1 and 5); or (2) if the rules make no provision for the settlement of disputes (sub-s. 6); or (3) if no decision is arrived at within forty days after application is made to the society for a reference under the rules (sub-s. 6); or (4) if the dispute is within s. 43, or (5) if the society is a collecting society, and the complainant is a member or person claiming through a member and the claim does not exceed 25*l.* and not less than fourteen days' notice of the application has been given to the society: I. A. A., s. 32 (p. 330).

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Permissive jurisdiction.

The exclusive jurisdiction arising under the direction in the rules is dealt with in the note to sub-s. 1, *supra*. The jurisdiction arising under sub-s. 6 is permissive, and does not exclude the jurisdiction of the High Court, see p. 158, and arises only under the conditions and after the interval mentioned in the sub-section, see p. 157.

Enforcement of decision.

If a dispute has been determined, by a decision *primâ facie* valid according to the rules, the justices have no jurisdiction until the decision has been set aside: *Bache* v. *Billingham*, (1894) 1 Q. B. 107; or unless it is clear that there was a condition precedent to the making of the award which has not been observed: *R.* v. *Grant* (1849), 19 L. J. M. C. 59; or unless the award is shown to be a nullity: *Ex p. Long* (1854), 3 W. R. 18.

The reference to the court of summary jurisdiction must be made within six months from the time that their jurisdiction arises: 11 & 12 Vict. c. 43, s. 11; *Harpin* v. *Sykes* (1885), 49 J. P. 148.

The decision of a court of summary jurisdiction with regard to a dispute determined according to the rules under sub-ss. 1 and 5 may be enforced in the county court, see p. 144; but an order made on an application under sub-s. 6 would be enforceable under the Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 34.

Jurisdiction of the county court.

The county court has jurisdiction in disputes only (i) where the rules expressly direct disputes to be so referred (sub-s. 1), in which case the jurisdiction is exclusive; or (ii) by consent of the parties, where the rules direct a reference to justices (sub-s. 5); or (iii) where the rules make no provision for the settlement of disputes (sub-s. 6); or (iv) no decision is arrived at within forty days after an application made to the society for a reference under the rules (sub-s. 6); or (v) where the society is a collecting society, and the member is the plaintiff: I. A. A., s. 32. The county court can enforce the decision of a dispute made as directed by the rules, whether in an arbitration or by the registrar or a court of summary jurisdiction, see p. 144. The exclusive jurisdiction arising under a direction in the rules is dealt wth in the note to sub-s. 1, *ante*.

The county court has jurisdiction under sub-s. 6 where a society has neglected to hold a meeting to adjudicate on a claim within forty days as provided by the rules: *R.* v. *Judge of Shropshire County Court* (1887), 3 T. L. R. 526; or where a member of a branch who has been excluded therefrom by the branch committee appealed under the rules of the branch to the

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general committee of the society which failed to decide the dispute between the member and the branch within forty days of the application to it: *R.* v. *Catley* (1887), 19 Q. B. D. 491. When by lapse of time the right of a member to apply to the county court has arisen, an alteration of the rules of the society cannot affect that right nor deprive the county court of jurisdiction to try the case: *Ritson* v. *Dobson* (1911), 104 L. T. 808.

Sub-s. 6 confers a jurisdiction on the county court in the cases there mentioned, but it does not exclude the jurisdiction of the High Court, and therefore there is in a proper case jurisdiction to remove to the High Court by *certiorari* proceedings in an action commenced in the county court against a society by one of its members: *Re Royal Liver Friendly Society* (1887), 35 C. D. 332; *Tiplady* v. *Royal Liver Friendly Society* (1887), 3 T. L. R. 697.

Procedure in county court

Every dispute referred to the county court shall be so referred by plaint and summons in the ordinary way (C. C. R. Ord. XLI. r. 1); the claiming or aggrieved member (or other person) shall be plaintiff, and the society, either in its own name, or in the name of such persons as are authorised to be sued on behalf of the society, shall be defendants (*ib.* r. 2); particulars of demand (with the necessary number of copies) shall be filed in all cases, and shall state concisely the nature of the dispute referred and the relief or order which the plaintiff claims (*ib.* r. 3). The action should be commenced in the court within the district of which the defendant resides or carries on business, or by leave of the judge or registrar in the Court within the district of which the defendant dwelt or carried on business at any time within six months before the commencement of the action or, with the like leave, in the Court in the district of which the cause of action or claim wholly or in part arose: County Courts Act, 1888 (51 & 52 Vict. c. 43), s. 74. In cases where the action is against the society or branch the trustees will usually be the defendants (but see s. 94 (2)), and it is presumed the action might be brought in the Court in the district of which the registered office of the society or branch is situate, notwithstanding that all the trustees, the formal defendants, resided outside such district, but probably leave would be necessary: cf. *Shea* v. *United Assurance Society of St. Patrick* (1867), L. R. 3 C. P. 21.

Prohibition proceedings county court

If the county court, notwithstanding any objection that is made, assumes jurisdiction, application should be made to the High Court for a writ of prohibition, and a prohibition may issue even after judgment has been given by the county court: *Re*

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Hogg (1898), 14 T. L. R. 210; but not after execution is had or the judgment has been otherwise satisfied: *Denton* v. *Marshall* (1863), 32 L. J. Ex. 89, 91.

Appeal from county court.

In applications to the county court under sub-ss. 1 and 5, the decision of the court is conclusive and without appeal, but the application to the county court contemplated by sub-s. 6 is not a reference to the county court judge sitting as an arbitrator, and therefore an appeal lies from his decision in the ordinary way of appeal by motion to the High Court: *Wilkinson* v. *Jagger* (1887), 20 Q. B. D. 423. See also *R.* v. *County Court Judge of Tyrone* (1910), 44 Ir. L. T. R. 147.

Where the rules of a society provided for the reference of disputes to arbitration, but contained no provision for appointing arbitrators, an action brought in the sheriff's court was held to have been brought under its common law jurisdiction, so that the decision therein was subject to appeal: *Galashiels Provident Building Society* v. *Newlands* (1893), 30 Sc. L. R. 730.

52 & 53 Vict. c. 49.

(7.) Notwithstanding anything contained in the Arbitration Act, 1889, or in any other Act, the court and the chief or other registrar or any arbitrator or umpire to whom a dispute is referred under the rules of a registered society or branch shall not be compelled to state a special case on any question of law arising in the case, but the court, or chief or other registrar, may, at the request of either party, state a case for the opinion in England or Ireland of the Supreme Court, and in Scotland of either division of the Inner House of the Court of Session, on any question of law, and may also grant to either party such discovery as to documents and otherwise, or such inspection of documents, and in Scotland may grant warrant for the recovery of documents and examination of havers, as might be granted by any court of law or equity, and the discovery shall be made on behalf of the society or branch by such officer thereof as the court or registrar may determine.

Appeal.

This sub-section nullifies the effect of the decision of the House of Lords in *Tabernacle Building Society* v. *Knight*, (1892) A. C. 298, that the power under the Arbitration Act, 1889 (52 & 53 Vict. c. 49), s. 19, of compelling an arbitrator to state a case for the

opinion of the Court applied to arbitrations under the rules of friendly societies. This sub-section only applies to disputes which are referred under the rules, and therefore when an application is made to a court of summary jurisdiction or the county court under sub-s. 6, the justices would be compellable to state a case, or an appeal would lie from them to Quarter Sessions (s. 93 (1)); and an appeal would lie from the county court by motion to the High Court: *Wilkinson* v. *Jagger* (1887), 20 Q. B. D. 423.

The method of appeal in Scotland provided by sub-s. 7 is competent in the case of small-debt decrees in the sheriff court dealing with disputes, notwithstanding the general exclusion of appeals in small-debt actions except in the manner provided by s. 31 of the Small Debt (Scotland) Act, 1837 (7 Will. 4 & 1 Vict. c. 41), and although the summons does not refer to the Act: *Linton* v. *City of Glasgow Friendly Society* (1895), 33 Sc. L. R. 42; but such a case must be stated during the progress of the reference, and cannot be stated after the Court or arbitrator has given judgment: *Smith* v. *Scottish Legal Life Assurance Society*, (1912) S. C. 611.

The opinion of the High Court upon a special case stated by an arbitrator on a question of law arising in the course of the reference cannot be the subject of an appeal, but if that opinion be erroneous an award expressed to be founded on that opinion can be set aside as containing an error on the face of the award: *British Westinghouse Electric and Manufacturing Co.* v. *Underground Electric Railway Co.*, (1912) A. C. 673.

Discovery and inspection of documents.

The provisions of this sub-section as to discovery and inspection are wanted in the cases provided for by sub-ss. 2 and 5, though they are unnecessary for that of sub-s. 6, as the county court has power in the exercise of its ordinary jurisdiction to make such orders. In a reference to the registrar, if an order for discovery is necessary it shall be in Form P (p. 524): T. R. 30. In Scotland, if a warrant for recovery of documents and examination of havers is necessary, it shall be in Form Q (p. 525) or R (p. 525): T. R. 31. As to discovery generally in the High Court, see R. S. C. Ord. XXXI., and in the county court, C. C. R. Ord. XVI.

(8.) In this section the expression "dispute" includes any dispute arising on the question whether a member or person aggrieved is entitled to be or to continue to be a member or to be reinstated as a member, but, save as afore-

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said, in the case of a person who has ceased to be a member, does not include any dispute other than a dispute on a question between him and the society or branch or an officer thereof which arose whilst he was a member, or arises out of his previous relation as a member to that society or branch.

This sub-section was added by the F. S. A., 1908, s. 6. For notes thereon, see *supra*, p. 146.

Change of Name, Amalgamation, and Conversion of Societies.

Power to change name.

69.—(1.) A registered society may, by special resolution, with the approval in writing of the chief registrar, or in the case of societies registered and doing business exclusively in Scotland or Ireland the assistant registrar for Scotland or Ireland respectively, change its name, and shall not change its name in any other manner.

(2.) Any such change of name shall not affect any right or obligation of the society, or of any member thereof, and any pending legal proceedings may be continued by or against the trustees of the society, or any other officer who may sue or be sued on behalf of the society, notwithstanding its new name.

Procedure.

Every application for approval of change of name must be made in duplicate in Form T (p. 527), accompanied by a statutory declaration in Form U (p. 528). If approved, the word "approved" shall be written at the foot or end of each such copy, and the same shall be signed by the chief registrar, or assistant registrar for Scotland or Ireland, as the case may require: T. R. 33. As an alternative to Form U the registrar may require and receive information in Form UI (p. 551): T. R. 75.

For the meaning of special resolution, see s. 74. The change of name is not complete, and the society continues to exist under its original name, until the special resolution has been registered: s. 75. The fee for registering the special resolution (p. 220) covers the approval.

A society that changes its name without obtaining the approval of the registrar commits an offence under the Act: s. 84.

The approval of the registrar to the change of name is wholly in his discretion (cf. s. 10), and the reason for desiring the change should always be stated in the application for approval, which will, in general, be withheld if the reason is insufficient. Sufficient reasons are, for instance: secession from an order, disconnection of the society from a particular religious body, the throwing open of a society connected with a particular trade to other trades or the public, the insertion in the name of a word indicating some fresh benefit to be provided, or the adoption of a dividing rule. But the dropping of a distinctive name answering to the society's real character for a more general one will not be approved, as being likely to deceive as to the real character of the society: s. 10.

Discretion of registrar.

No provision is made in the Act as to the changing of the name of a branch; this matter would be provided for and regulated by the rules of the society of which the branch forms part. Notice of any change of name of a branch should be given to the registrar, who will make the necessary alteration in the register: unless otherwise provided, a written notice from the secretary of the society is sufficient.

Branches.

70.—(1.) Any two or more registered societies may, by special resolution of both or all such societies, become amalgamated together as one society, with or without any dissolution or division of the funds of those societies or either of them.

Amalgamation and transfer of engagements

(2.) A registered society may, by special resolution, transfer its engagements to any other registered society which may undertake to fulfil the engagements of that society.

A registered society cannot amalgamate with or transfer its engagements to an unregistered society or to a branch whether registered or unregistered, except in the case of the amalgamation provided for in sub-s. 5.

For the meaning of special resolution, see s. 74. In the case of a friendly society, there are the conditions imposed on the special resolution by sub-s. 3.

Every application to register a special resolution for the amalgamation of societies must be made by each of the societies in duplicate in Form V (p. 528), and must be sent to the central office accompanied by statutory declarations from officers of each

Procedure.

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society in Form U (p. 528). No acknowledgment of registry shall be given to either society until special resolutions in the like terms have been submitted for registry by the other or others: T. R. 34. Every application to register a special resolution for the transfer of the engagements of a society to another must be made in duplicate in Form W (p. 530), and must be sent to the central office accompanied by statutory declarations in Forms U (p. 528) and X (p. 531): T. R. 35. The chief or other registrar may require and receive, as an alternative to declarations U and X, information in Forms UI and XI (p. 551): T. R. 75.

Approved societies.

The Minister of Health has power to make regulations as to the amalgamation of two or more approved societies, or of an approved society with a society which is not an approved society, or of any two or more branches of an approved society, and as to the transfer by an approved society of its engagements under the N. H. I. A., or a part thereof, to any other approved society, and the transfer from one branch to one or more other branches, or to the society of such engagements, and as to the necessary financial adjustments: N. H. I. A., 1924, s. 39. These matters are regulated by the N. H. I. (Approved Societies) Regulations, 1924, Nos. 67 to 97.

Collecting societies.

In its application to the amalgamation or transfer of engagements of a collecting society this section is subject to the modifications made by the I. A. A., s. 36 (p. 335), which also authorises a transfer of the engagements of a collecting society to an industrial assurance company.

Juvenile societies.

The provisions of sub-ss. 1 and 2 do not apply to the amalgamation of juvenile with adult societies, for which a simpler procedure is provided by sub-s. 5.

Branches.

There is no provision in the Act for a branch to amalgamate with or transfer its engagements to another branch; these matters must be regulated by the rules of the society of which the branch forms part. Notice of such amalgamation or transfer of engagements should be at once given to the registrar, as on the change of name of a branch: see p. 161.

Vesting of property upon amalgamation.

It would seem that upon amalgamation, the property of the societies amalgamating would vest in the trustees of the amalgamated society without conveyance or transfer: see s. 49 (1); but stocks and securities in the public funds of Great Britain and Ireland would require to be transferred into the names of the trustees of the amalgamated society.

Aiding or abetting in the amalgamation or transfer of engagements of a society otherwise than as provided in the Act is an

offence: s. 90. As to the rights of creditors of the societies, see s. 72.

A clause in an agreement for amalgamation providing that a part of the consideration should be paid to the directors of the selling society by way of bonus would not appear to invalidate the amalgamation: see *Southall* v. *British Mutual Life Assurance Society* (1871), L. R. 6 Ch. 614.

(3.) A special resolution by a registered friendly society for an amalgamation or transfer of engagements under this Act shall not be valid without—

(a) the assent thereto of five-sixths in value of the members, given either at the meetings at which the resolution is, according to the provisions of this Act, passed and confirmed, or at one of them, or, if the members were not present thereat, in writing; and

(b) the written consent of every person receiving or entitled to any relief, annuity, or other benefit from the funds of the society, unless the claim of that person is first duly satisfied, or adequate provision is made for satisfying that claim.

Consents to amalgamation.

These provisions apply to an amalgamation with or transfer of engagements to a company under s. 71.

It would seem that an amalgamation in respect of which the statutory requirements had not been fulfilled could be declared null and void notwithstanding that the registry of one society had been cancelled in pursuance thereof: cf. *Sheet Iron Workers' and Light Platers' Society* v. *Boilermakers' and Iron and Steel Shipbuilders' Society* (1924), 40 T. L. R. 294.

Value of members.

"Five-sixths in value," *i.e.*, one vote for each member with an additional vote for every five years of membership, but to no one member more than five votes altogether: sub-s. 6.

It seems doubtful whether members who are minors can give the assent required by this sub-section, as s. 36 (2) does not appear to cover the case.

(4.) Provided that on application of the trustees or committee of a registered friendly society desiring to

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amalgamate or transfer its engagements, and upon notice of that application being published in the Gazette, the chief registrar, after hearing the trustees or committee and any other persons whom he considers entitled to be heard upon the application, may, with the consent of the Treasury, order that any of the assents, consents, and conditions required by this Act, or by any regulations made under this Act, be dispensed with, and may confirm the amalgamation or transfer.

Dispensing with consents and conditions.

Notice of an application that any of the consents and conditions prescribed for an amalgamation or transfer of engagements may be dispensed with shall be advertised in the "Gazette" at least one month before the application is made to the chief registrar in that behalf. Such notice shall be in Form Y (p. 532): T. R. 36. The application that any of the consents and conditions prescribed for an amalgamation or transfer of engagements may be dispensed with shall be in Form Z (p. 532), and shall be sent to the chief registrar in duplicate with a copy of the "Gazette" in which the advertisement of the same is published: T. R. 37. If, after hearing the trustees or committee of management and other persons whom he considers entitled to be heard, and to whom such notice shall be given as the chief registrar directs, the chief registrar thinks fit to entertain the application, he shall transmit a copy of the same to the Treasury for their consent thereto: T. R. 38. If on an application for dispensing with any prescribed consents or conditions to an amalgamation or transfer of engagements more than one hearing or adjournment become necessary, the same fee shall be payable in respect of the same as in the case of a dispute: T. R. 41. Where any consents or conditions prescribed for an amalgamation or transfer of engagements are dispensed with the Forms may be modified by the authority of the chief registrar to suit the circumstances of the case: T. R. 39. In registering a special resolution for amalgamation or transfer of engagements where any prescribed consents or conditions have been dispensed with, the words "And confirmed by the chief registrar" shall be added after the word "registered": T. R. 40.

The exercise of this power by the chief registrar is entirely at his discretion. The fee of 5*l.* is payable for an order dispensing with consents and conditions, in addition to the fee payable under T. R. 41 (p. 220).

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(5.) A registered society consisting wholly of members under twenty-one years of age, and a registered society or branch or branches of a society having members above twenty-one years of age, may, by resolutions registered in the manner required for the registration of an amendment of rules, become amalgamated together as one society or branch, or provide for distributing among several branches the members of a society consisting wholly of members under twenty-one years of age, and the other provisions of this section shall not apply to that amalgamation.

Amalgamation of juvenile and adult societies.

This provision was added by the F. S. A., 1895, by virtue of which Act and the F. S. A., 1908, minors of any age may now be admitted as members in a society (s. 36), and so the formation of separate juvenile societies is rendered unnecessary. This sub-section consequently provides for the amalgamation of juvenile societies with adult societies whose rules admit of minor members. A society is not entitled to the funds of a juvenile society in connection with it, even on the termination of the latter, and cannot in general become entitled thereto except under the provisions of this sub-section. In cases, therefore, where the membership of a juvenile society is dwindling, it may be desirable, before the existing members attain the age at which they cease to be members, to effect an amalgamation under this sub-section.

The resolutions required for an amalgamation under this sub-section need not be special resolutions, but merely ordinary resolutions passed at a general meeting of the amalgamating societies. The resolutions must be registered as provided in s. 13.

(6.) The value of members shall be ascertained by giving one vote to every member, and an additional vote for every five years that he has been a member, but to no one member more than five votes in the whole.

A member is entitled to one vote immediately on his admission as a member, and to two, three, four and five votes respectively on the expiration of five, ten, fifteen and twenty years from the date of such admission. The date as at which the value for the purposes of assent should be reckoned seems to be that of the

Ss. 70, 71. meeting at which the special resolution is confirmed and so becomes effective.

(7.) If any member of a friendly society which has amalgamated or transferred its engagements, or if any person claiming any relief, annuity, or other benefit, from the funds thereof, is dissatisfied with the provision made for satisfying his claim, that member or person may apply to the county court of the district within which the chief or any other place of business of the society is situate for relief or other order, and that court shall have the same powers in the matter as in regard to the settlement of disputes under this Act.

Jurisdiction of county court.

For the powers of the county court, see s. 68. The jurisdiction of the county court given by this section is not exclusive; but the county court has no jurisdiction under this sub-section to interfere with the action of the society until the special resolution for amalgamation or transfer of engagements has been passed and confirmed: *Jones* v. *Slee* (1886), 32 C. D. 585.

Every application for relief or other order under this sub-section shall be made by plaint and summons in the ordinary way, in which the person dissatisfied shall be plaintiff, and the society or branch, either in its own name or in the name of such persons as are authorised by the Act to be sued on behalf of the society or branch, shall be defendants. Particulars of demand shall be filed on every such application, stating concisely the relief or other order which the plaintiff claims: C. C. R. Ord. XLI. r. 5.

Officers or persons aiding or abetting in the amalgamation or transfer of engagements of a friendly society otherwise than as in the Act provided are liable to punishment: s. 90.

Conversion of society into company.

71.—(1.) A registered society may, by special resolution, determine to convert itself into a company under the Companies Acts, 1862 to 1890, or to amalgamate with or transfer its engagements to any such company.

The expression the Companies Acts, 1862 to 1890, must now be construed as referring to the Companies Acts, 1908 to 1917. For the meaning of special resolution, see s. 74.

S. 71.

This section so far as it enables a society to amalgamate with or transfer its engagements to a company does not apply to a collecting society: I. A. A., s. 36 (2); but such society can transfer its engagements to an industrial assurance company under s. 70 as modified by the I. A. A., s. 36. This section so far as it relates to the conversion of a society into a company applies to a collecting society subject to the modifications made by the I. A. A., s. 38 (1), and a collecting society having over 100,000 members may be converted into a mutual company: I. A. A., s. 38 (2).

Where the rules of a society provided that meetings for the management of the society should consist of delegates elected by the members, a resolution for conversion passed by a general meeting of delegates was held to be *ultra vires: Wilkinson* v. *City of Glasgow Friendly Society,* (1911) S. C. 476.

Conversion.

A friendly society cannot, under the guise of a conversion under this section, turn itself into a company with objects much more extensive than and widely differing from the objects specified in the rules of the society or s. 8 (1), for the procedure under this section is a mere matter of machinery under which a society can become a different legal entity, with objects identical with its objects as a society, though when converted it can exercise such powers of enlarging and altering its objects as are conferred by statute on all limited companies: *Blythe* v. *Birtley,* (1910) 1 Ch. 228; and a scheme of conversion which permits a distribution of surplus assets among members who under the rules of the society have no right to participate in that surplus and payment to employees out of capital not authorised by the society's rules is *ultra vires: Wilkinson* v. *City of Glasgow F. S.,* (1911) S. C. 476. If, however, the society has been registered as a company with extended objects and enlarged powers, and its registry as a society cancelled, the certificate of incorporation is conclusive that the company is entitled to exercise such powers, and it cannot be restrained from so doing by a member of the society who sues the company in his character of a member thereof: *McGlade* v. *Royal London Mutual Insurance Society,* (1910) 2 Ch. 169. But the validity of a special resolution for converting a society into a company passed before August 3rd, 1910, shall not be questioned on the ground that the objects of the company as set forth in the special resolution extend beyond those authorised by the rules of the society at the date of the passing of the resolution, or that in any other respects the requirements of s. 71 have not been complied with: Companies

S. 71. (Converted Societies) Act, 1910 (10 Edw. 7 & 1 Geo. 5, c. 23). The last mentioned Act, however, only validated all Acts done up to the date of its passing, but did not enact that such companies could thereafter carry on the extended business, and consequently it was necessary to take proceedings for the enlargement of the company's objects: see *Re Royal London Mutual Insurance Society*, (1910) W. N. 226.

The conversion of a society into a company under this section does not involve the simultaneous conversion of the members of the society into members of the company, for they are not persons who have agreed to become members of the company within s. 24 of the Companies (Consolidation) Act, 1908: *Re Blackburn Philanthropic Assurance Co.*, (1914) 2 Ch. 430.

Amalgamation, &c. A registered society cannot amalgamate with or transfer its engagements to any company which is not a company under the Companies Acts; but this expression appears to include not only companies formed and registered under the Companies Acts, 1862 to 1890, and the Companies Acts, 1908 to 1917, but also companies registered under the Joint Stock Companies Acts, whether formed or not under such Acts: see Companies (Consolidation) Act, 1908, ss. 245, 246, 285. The company must have power to accept a transfer of the engagements of the society.

Any amalgamation or transfer of engagements under this section is subject to the provisions of s. 70 (3)—(7); aiding and abetting in the amalgamation or transfer of engagements of a friendly society otherwise than as in the Act provided is an offence: s. 90. As to the rights of creditors of the society, see s. 72.

Procedure. Every application to register a special resolution for converting a society into a company must be in triplicate in Form AA (p. 533), and must be sent to the central office accompanied by a statutory declaration in Form U (p. 528): T. R. 42. An application for registry of a special resolution for amalgamation with a company or for transfer of engagements to a company, shall be sent to the central office in duplicate in Form V (p. 528) or W (p. 530), as the case may be, with the necessary modifications to suit the facts, and shall be accompanied by statutory declarations in Forms U (p. 528) and AC (p. 534): T. R. 43. The statutory declaration in Form U is required by Treasury regulation only, and the chief or other registrar may require and receive, as an alternative to such declaration, information in the Form UI (p. 551): T. R. 75.

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(2.) If a special resolution for converting a society into a company contains the particulars required by the Companies Acts, 1862 to 1890, to be contained in the memorandum of association of a company, and a copy thereof has been registered at the central office, a copy of that resolution under the seal or stamp of the central office shall have the same effect as a memorandum of association duly signed and attested under the said Acts.

Memorandum of association.

These particulars, required to be contained in the memorandum of association of a company, are specified in the Companies (Consolidation) Act, 1908 (8 Edw. 6, c. 69), ss. 3—5.

The sealed copy of the resolution has the same effect as a memorandum of association duly signed and attested (see 8 Edw. 7, c. 69, s. 14), and upon registration of the sealed copy with the registrar of joint-stock companies the conversion of the society into a company is complete, and the society thereupon ceases to be subject to the provisions of this Act, and becomes subject to the provisions of the Companies Acts, 1908 to 1917.

Having regard to the provisions of the Companies (Consolidation) Act, 1908 (8 Edw. 7, c. 69), s. 8, as to name, it would be advisable, before registering the special resolution, to ascertain that the name of the new company will be accepted by the registrar of joint-stock companies.

(3.) If a society is registered as, or amalgamates with, or transfers all its engagements to, a company, the registry of the society under this Act shall thereupon become void, and shall be cancelled by the chief registrar or by the assistant registrar for Scotland or Ireland under his direction; but the registration of a society as a company shall not affect any right or claim subsisting against that society, or any penalty incurred by that society; and for the purpose of enforcing any such right, claim, or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and every such right or claim, or the liability to any such penalty, shall have priority, as against the

ss. 71—73. property of the company, over all other rights or claims against or liabilities of the company.

This sub-section applies to a conversion of a collecting society into a company which is effected under the I. A. A., s. 38 (p. 337).

Although by the conversion members of the society do not *ipso facto* become members of the company and have no interest therein they retain the same rights against the assets of the society in the hands of the company as they would have had against them had the society continued to exist as such: *Re Blackburn Philanthropic Assurance Co.*, (1914) 2 Ch. 430.

This sub-section would seem to imply that under sub-s. 1 a society may transfer a part only of its engagements to a company, as its registry does not become void unless the society has transferred all its engagements.

aving for ght of reditors.

72. An amalgamation or transfer of engagements in pursuance of this Act shall not prejudice any right of a creditor of either or any society party thereto.

Conversion of ociety into ranch.

73.—(1.) A registered society may, by a resolution passed by a majority of the members or delegates present and entitled to vote at any general meeting, of which notice specifying the intention to propose any such resolution has been duly given according to the rules, determine to become a branch of any other registered society, and also, if thought fit, of any registered branch thereof.

(2.) If the rules of the society do not comply with all the provisions of this Act and of the Treasury regulations in respect of the registry of branches, the meeting at which any such resolution is passed may amend the rules so as to bring the rules into compliance with this Act and with the Treasury regulations.

(3.) A copy of the rules of the society marked to show the amendments, if any, made at the meeting, and two copies of the resolution and of such amendment of rules, if any, as aforesaid, each signed by the chairman of the meeting and by the secretary of the society so determining

to become a branch of another society, and countersigned by the secretary of that other society, shall be sent to the registrar.

(4.) If the registrar finds that the rules, with or without such amendment as aforesaid, comply with the provisions of this Act and of the Treasury regulations, he shall cancel the registry of the first-mentioned society and register it as a branch of that other society, and also, if so specified in the resolution before mentioned, of any branch of that other society, without further request or notice, and shall register such amendment of rules without further application or evidence, and until such registry as aforesaid the resolution shall not take effect.

(5.) An advertisement of any cancelling of registry under this section shall not be requisite.

(6.) The rules of a society which becomes a branch under this section shall, so far as they are not contrary to any express provision of this Act or of the Treasury regulations, and subject to any such amendment thereof as aforesaid, continue in force as the rules of the branch until amended.

(7.) This section shall apply only to societies registered before the first day of January one thousand eight hundred and seventy-six.

This section is for the purpose of providing a simple procedure for branches, which, prior to 1876, had to be registered as separate societies, to convert themselves into registered branches under this Act.

A majority of the members is now sufficient to effect a conversion, formerly a three-fourths majority was required. It is to be noticed that the resolution required by this section is not a special resolution as defined by s. 74, and no special form is required.

No registered society can be registered as a branch unless and until its registry as a society is cancelled: T. R. 45.

In proceedings taken for cancelling registry under this section, no application or declaration is required for any amendment of rules which may become necessary in connexion therewith; no

Ss. 73, 74.

request or advertisement is required: no notice of the establishment of the branch (Form A*b*, see s. 18) need be given.

Upon conversion under this section, in view of future amendments, a complete amendment of rules is to be preferred.

It has been the practice of the registrar to decline to register conversions into branches until the provisions of the Act in respect of valuation have been complied with, in default of which compliance suspension or cancellation of registry has taken place in addition: (1891), R. C. R. 10.

Upon conversion into a branch a society may change its name, or two societies may be amalgamated into one branch.

If the society was not registered before 1st January, 1876, and it seeks to become a branch of another society, it must procure cancellation of registry under s. 77 (1), and become registered as a branch under s. 18.

There is no compulsion under the Act for any society separately registered as such to become a legal branch of another society. The registration of such societies as branches, if they are in fact branches of approved societies, is, however, required by the Minister of Health in order to comply with the N. H. I. A., 1924. By virtue of the National Health Insurance (Registration of Branches) Order, 1914 (No. 2), certain branches therein named are deemed to have become registered branches of the societies to which they belong.

Meaning of special resolution.

74. For the purposes of this Act a special resolution shall mean a resolution which is—

(a) passed by a majority of not less than three-fourths of such members of a registered society, entitled under the rules to vote as may be present in person or by proxy (where the rules allow proxies) at any general meeting of which notice specifying the intention to propose that resolution has been duly given according to the rules; and

(b) confirmed by a majority of such members entitled under the rules to vote as may be present in person or by proxy (where the rules allow proxies), at a subsequent general meeting of which notice has been duly given, held not less

than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed.

At any meeting mentioned in this section a declaration by the chairman that the resolution has been carried shall be conclusive evidence of the fact.

Special resolutions are neither required nor recognised by the Act for any other purposes than those specified in it (ss. 69—71); they are not to be confounded with resolutions passed by special meetings of the society in pursuance only of the rules; they cannot be passed by branches. In the case of a friendly society, further conditions for passing a special resolution for amalgamation or transfer of engagements are imposed by s. 70 (3).

This definition is substantially the same as that of a special resolution relating to companies now contained in the Companies (Consolidation) Act, 1908 (8 Edw. 7, c. 69), s. 69, re-enacting s. 51 of the Companies Act, 1862 (25 & 26 Vict. c. 89), and it is apprehended that the cases deciding the construction of those sections may be usefully considered in construing this.

Notice.

The notice of the meeting should specify not only the terms of the resolution to be proposed, but also the intention to confirm it as a special resolution: cf. I. A. A., s. 19 (3).

Voting at meeting.

In the absence of any provision to the contrary in the rules of the society, the voting at the meeting should in the first instance be by show of hands: *Re Horbury Bridge Coal, Iron and Waggon Co.* (1879), 11 C. D. 109; on a show of hands proxies cannot be counted, but a poll must be demanded for the purpose: *Re Caloric Engine and Siren Fog Signals Co.* (1885), 52 L. T. 846; *Ernest* v. *Loma Gold Mines,* (1897) 1 Ch. 1; and a poll must be taken at the meeting, it cannot be taken by voting papers unless the rules so provide: see *McMillan* v. *Le Roi Mining Co.*, (1906) 1 Ch. 331.

The requisite majority for passing the resolution is three-fourths of the members *present* at the meeting, it is not sufficient therefore to count the votes cast for or against the resolution, as persons present at the meeting who refrain from voting may affect the question; the proper method is to ascertain first how many persons entitled to vote are present when the resolution is put to the meeting, and secondly how many of such persons vote in its favour: see *Labouchere* v. *Earl of Wharncliffe* (1879), 13 C. D. 346, 354.

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Proxies.

Proxies given for the purpose of this section do not require to be stamped: s. 33. After the execution of the proxy, the date of the meeting, although not fixed at the time of execution, and the name of the proxy may be filled in by a person properly authorised so to do: *Ernest* v. *Loma Gold Mines,* (1897) 1 Ch. 1; *Sadgrove* v. *Bryden,* (1907) 1 Ch. 318. Where the rules require proxies to be lodged before the date of a meeting, proxies lodged after the date of an original meeting but before the date fixed for the adjournment thereof cannot be used at the adjourned meeting: *McLaren* v. *Thomson,* (1917) 2 Ch. 261.

Amendments.

A resolution passed at the first meeting, which is altogether different in its results and objects from what is proposed in the notice is invalid: *Re Teede and Bishop* (1901), 70 L. J. Ch. 409; but the resolution is not invalidated if, owing to an amendment at the first meeting, the resolution as passed is not identical with that of the notice: *Torbock* v. *Westbury,* (1902) 2 Ch. 871. On the other hand, at the second meeting, the resolution passed at the first meeting must be either confirmed or rejected, and no amendment can be made: *Wall* v. *London and Northern Assets Corporation,* (1898) 2 Ch. 469. There is no law that a motion cannot be put to the meeting if not seconded; if the chairman puts a question without its having been either proposed or seconded it would be good: per James, L. J., *Re Horbury Bridge Coal, Iron, and Waggon Co.* (1879), 11 C. D. 109, 117, 118.

Interval between meetings.

The second meeting must be held not less than fourteen full days after the first, *i.e.*, there must be fourteen clear days between the respective days of meeting (see *Chambers* v. *Smith* (1843), 13 L. J. Ex. 25; *Re Railway Sleepers Supply Co.* (1885), 29 C. D. 204; *McQueen* v. *Jackson,* (1903) 2 K. B. 163); so that if the first meeting is held on the first day of the month, the second cannot be held before the 16th of the same month. If the interval between the two meetings is less than the prescribed minimum, the resolution will be invalid; but such a statutory defect in the resolution only affects the position of the society and its members *inter se,* and where the irregularity has been acquiesced in does not concern the creditors of the society or third parties: *Re Miller's Dale & Ashwood Dale Lime Co.* (1885), 31 C. D. 211. "Month" means calendar month: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 3. If the second meeting was duly called and held within a month of the first meeting and *bonâ fide* adjourned although such adjourned meeting was not held within a month of the first meeting, a confirmatory resolu-

tion passed at such adjourned meeting would, it seems, be regular and effective: see *Neuschild* v. *British Equitorial Oil Co.*, (1925) 1 Ch. 346.

Notice of meetings.

The notices must strictly comply with the provisions of the Act, and must state definitely the nature and object of the special resolutions to be proposed, whether for the purpose of a change of name, an amalgamation, or a conversion. If the officials of the society are personally interested in the proposed amalgamation or conversion the notice ought to disclose the fact and the nature of the interest: see *Kaye* v. *Croydon Tramways Co.*, (1898) 1 Ch. 358; *Tiessen* v. *Henderson*, (1899) 1 Ch. 861. A conditional notice is not a proper notice; thus, a notice of a first meeting to pass certain special resolutions which stated that if they should be duly passed they would be submitted for confirmation at a second meeting on a day named, is a conditional notice of the second meeting, and therefore bad so far as it is concerned: *Alexander* v. *Simpson* (1889), 43 C. D. 139. But where the notice of the first meeting also gave notice that a subsequent meeting would be held to receive a report of the first meeting, and confirm as a special resolution the proposed resolution if passed at the first meeting, and that if the resolution was not passed at the first meeting, notice would be given that the second meeting would not be held, this was a good notice of the second meeting, and a resolution duly passed and confirmed at these meetings was valid: *Re Espuela Land and Cattle Co.* (1900), 48 W. R. 684. And if the rules of the society provided that the two meetings for passing a special resolution might be convened by one notice, and that it should be no objection to the notice that it convened the second meeting contingently on the resolution being passed at the first, a conditional notice, as in *Alexander* v. *Simpson*, would be valid, and a resolution duly confirmed at the second meeting would be binding: see *Re North of England Steamship Co.*, (1905) 2 Ch. 15.

Declaration chairman.

The declaration by the chairman is sufficient without any other evidence: *Re Brynmawr Coal and Iron Co.* (1877), W. N. 45; and in the absence of fraud is conclusive that the resolution has been carried by the requisite majority: *Re Gold Co.* (1879), 48 L. J. Ch. 281, 286; *Re Hadleigh Castle Gold Mines*, (1900) 2 Ch. 419; *Arnot* v. *United African Lands*, (1901) 1 Ch. 518; but not if it shows on the face of it that the statutory majority has not voted in favour of the resolution: *Re Caratal (New) Mines*, (1902) 2 Ch. 498; or the want of the requisite majority is plain on the face of the proceedings: *Re Clark (J. T.) & Co.*, (1911) S. C. 243.

Ss. 74, 75.

Duties and powers of chairman.

It is the duty of the chairman to preserve order, conduct proceedings regularly, and take care that the sense of the meeting is properly ascertained with regard to any question before it; but he has no power to stop or adjourn a meeting at his own will; and if he purports to do so, it is competent for the meeting to resolve to go on with the business for which it has been convened, and to appoint another chairman for that object: *National Dwellings Society* v. *Sykes*, (1894) 3 Ch. 159. Although the rules empower the chairman with consent of the members present at a meeting to adjourn the same, the chairman is not bound to adjourn a meeting, although a majority of those present desire an adjournment: *Salisbury Gold Mining Co.* v. *Hathorn*, (1897) A. C. 268; but when the views of the minority have been heard, it is competent to the chairman, with the sanction of a vote of the meeting, to declare the discussion closed, and to put the question to the vote: *Wall* v. *London and Northern Assets Corporation*, (1898) 2 Ch. 469. The chairman has *primâ facie* authority to decide all incidental questions which arise at such meeting and necessarily require decision at the time, and the entry by him in the minute book of the result of a poll, or his decision of all such questions, although not conclusive, is *primâ facie* evidence of that result, or of the correctness of that decision, and the *onus* of displacing that evidence is thrown on those who impeach the entry: *Re Indian Zoedone Co.* (1884), 26 C. D. 70.

Registration of special resolutions.

75. A copy of every special resolution for any of the purposes mentioned in this Act, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the central office and registered there, and until that copy is so registered the special resolution shall not take effect.

Procedure.

A special resolution shall be registered by writing at the foot or end of each copy of the same the word "registered," and by affixing to the same the seal or stamp of the central office: T. R. 46. Where the special resolution is for conversion into, amalgamation with or transfer of all the engagements of a society to a company, the following words shall be written at the foot: "The registry of the —— Society is hereby cancelled (*or* directed to be cancelled). ——, Chief Registrar": T. R. 44.

Where a special resolution is passed by a society registered and doing business exclusively in Scotland or Ireland, it (*i.e.*, the application to register such resolution) shall be sent to the

central office through the assistant registrar for Scotland or Ireland, as the case may be; where a special resolution is registered, passed by a society which is registered or does business in Scotland or Ireland, the central office shall forthwith apprise the assistant registrar for Scotland or Ireland, as the case may be, of the same being so registered, and the chief registrar shall, where necessary, give directions for cancelling the registry of such society: T. R. 47. Ss. 75, 76

The fee for registration of a special resolution is 1*l.*, which, in the case of change of name, includes the approval of the name: p. 220. Fee.

A society which fails to send to the central office a copy of a special resolution for registry commits an offence under the Act: s. 84. Offence.

Inspection: Cancelling and Suspension of Registry: Dissolution.

76.—(1.) Upon the application— Inspectors and special meetings.

(a) of one-fifth of the whole number of members of a registered society; or

(b) in the case of a registered society of one thousand members and not exceeding ten thousand, of one hundred members; or

(c) in the case of a registered society of more than ten thousand members, of five hundred members,

the chief registrar, or in cases of societies registered and doing business exclusively in Scotland or in Ireland the assistant registrars for Scotland and Ireland respectively, but with the consent of the Treasury in every case, may—

(a) appoint an inspector or inspectors to examine into and report on the affairs of the society; or

(b) call a special meeting of the society.

The registrars have no power to interfere in the management of societies unless their interposition is invoked by a certain number of the members of the society under the power conferred Powers of registrars.

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by this section, but in the case of a collecting society the Commissioner has power to examine into and report on the affairs of the society: I. A. A., s. 17 (p. 302).

This power enables the registrar to examine into all or any part of the society's affairs, and it is for him to consider the character of the matters complained of: *Professional and Civil Service Supply Association* v. *Dougal* (1898), 5 Sc. L. T. 359.

These powers of inspection and calling general meetings are exercised primarily in the interests of a minority of the members, and the registrars are not bound to take any legal or other proceedings in consequence thereof, though they may do so.

In the opinion of the registrar the power of ordering a special meeting ought to be exercised with great caution. There may be exceptional cases, but, speaking generally, it ought to be exercised only when some impropriety appears to exist, or where there is something in the nature of a deadlock in the affairs of the society: (1913), R. C. R. 35.

A society is able sometimes to invoke the assistance of either of these powers in its own interests, as for instance where an inspection is desired for the purpose of examining the officers upon oath as to their acts, or where a special meeting is found to be useful in cases where, owing to the rules of the society or otherwise, its business is brought to a standstill, *e.g.*, where amendments of rules could only be made at annual meetings.

A copy of the inspector's report to the registrar is, as a rule, sent to the society and to the applicants, but there is no obligation on the registrar to do so.

In cases where it is impossible for members to procure an inspection for the purpose of rectifying abuses in the business of a society, they still have power under the Act to inspect the books themselves (s. 40); to call the attention of the society to any matter in general meetings, to have disputes settled (s. 68); and, if necessary, by consent of the central office, to prosecute offenders: s. 87.

Libel on a friendly society.

The issuing of a circular letter to obtain sufficient support of the members of a society for the purpose of making an application under this section would not be improper, but if such letter contained inaccurate statements as to the financial condition of the society, and were issued to persons not members of the society, it would constitute a libel on the society which the Court would restrain by injunction: *Hill* v. *Hart-Davies* (1882), 21 C. D. 798.

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(2.) The application under this section shall be supported by such evidence, for the purpose of showing that the applicants have good reason for requiring an inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their application, and such notice thereof shall be given to the society, as the chief registrar directs.

Form of application.

Every application for appointment of inspectors or for calling a special meeting of a society shall be written on foolscap paper, in duplicate, in Form AD (p. 535), and shall be accompanied by a statutory declaration in Form AE (p. 535), signed by three at least of the applicants: T. R. 48. The chief or assistant registrar may, immediately upon the receipt of the application, transmit one copy to the Treasury for their consent, or may, before such transmission, give notice of the application to the society, and send to the Treasury any answer the society may make: T. R. 49. The appointment of inspectors shall be in Form AF (p. 535), or as near thereto as circumstances may allow: T. R. 50.

(3.) The chief or assistant registrar may, if he thinks fit, require the applicants to give security for the costs of the proposed inspection or meeting, before appointing any inspector or calling the meeting.

(4.) All expenses of and incidental or preliminary to any such inspection or meeting shall be defrayed by the members applying therefor or out of the funds of the society, or by the members or officers, or former members or officers, of the society in such proportions as the chief or assistant registrar directs.

The words " or preliminary " were added by the F. S. A., 1908, s. 7, in consequence of the question raised under the sub-section as it formerly stood, that the registrar had no power to award to the applicants any expenses prior to the issue of the order for an inspection beyond the most limited fees for their personal time in giving information to the inspector, although in many cases the preliminary expenses form the larger part, as they include the cost of collecting evidence in support of the application for the inspection.

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Costs.

As the costs can in no event be paid out of public money, but only by such persons as under sub-s. 4 the registrar directs, it is necessary, before an inspector is appointed or a meeting called, that a sum sufficient to cover the presumed cost of the inspection or special meeting should be lodged with the registrar, or, in the case of a special meeting, the cost should be shown to be provided for. The fee of 2*l.* (p. 220) for the appointment of inspectors or calling of a special meeting must be paid in advance, but this is covered by the deposit where there is one. Failure to pay such expenses when directed by the registrar is an offence under the Act: s. 84; the expenses can be recovered summarily under s. 91 (3), see p. 213.

The costs of a statutory inquiry held by a Government department may include a fee in respect of the services of any officer of the department engaged in the inquiry not exceeding five guineas a day: Fees (Increase) Act, 1923 (13 Geo. 5, c. 4), s. 9.

(5.) An inspector appointed under this section may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents, and servants in relation to its business, and may administer such oath accordingly.

A society which fails to produce its books or furnish information when required by an inspector commits an offence under the Act: s. 84. A document purporting to be signed by an inspector, shall, in the absence of evidence to the contrary, be received in evidence without proof of the signature: s. 100.

"Oath" includes affirmation and declaration: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 3.

(6.) The chief or assistant registrar may direct at what time and place a special meeting under this section is to be held and what matters are to be discussed and determined at that meeting, and the meeting shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule of the society to the contrary notwithstanding.

Special meetings.

The notice of special meeting shall be in Form AG (p. 537): T. R. 51. The chairman of the special meeting shall report to

the chief or assistant registrar as he may direct in Form AH (p. 537): T. R. 52. Ss. 76, 77

(7.) This section shall not apply to a society with branches, except with the consent of the central body of that society.

Cancelling and suspension of registry.

77.—(1.) The chief registrar, or, in the case of a society registered and doing business in Scotland or Ireland exclusively, the assistant registrar for Scotland or Ireland, may—

(a) if he thinks fit, at the request of a society, to be evidenced in such manner as he may direct; or

(b) with the approval of the Treasury, on proof to his satisfaction that an acknowledgment of registry has been obtained by fraud or mistake, or that a society exists for an illegal purpose, or has wilfully and after notice from a registrar whom it may concern violated any of the provisions of this Act, or has ceased to exist,

by writing under his hand cancel the registry of a society.

Cancelling o registry.

In the case of societies registered before the 1st of January, 1876, where the cancelling of the registry is for the purpose of re-registration as a branch of another society, the procedure prescribed by s. 73 should be adopted; and in this case no request or advertisement is required.

When the registry of any society registered since the 1st of January, 1876, is cancelled with a view to its registry as a branch, notice must be given in Form A*b* (p. 510), as on the establishment of a new branch: T. R. 59. As to this, see p. 60.

In the case of amalgamation with or transfer of engagements to or conversion into a company, the registration of the society becomes void, and has to be cancelled by the registrar, s. 71 (3); the provisions of this section do not therefore apply.

The cancelling of registry shall be in Form AL (p. 539): T. R. 56. No fee is payable for cancelling of registry.

Branches.

There is no cancelling or suspension of registry of a branch, for a branch does not exist apart from its society. The rules of

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a society with branches must provide for the conditions under which a branch may secede (p. 235), and may also give the society power to suspend or expel a branch. As to branches which have seceded or been expelled, see ss. 20 and 21. When a branch has been duly suspended by the society, so long as such suspension lasts the branch is in general suspended from all benefits, but remains subject to all its obligations towards the society.

Procedure on cancelling on request.

Every request to cancel registry shall be made in Form AI (p. 538), and shall name some newspaper in general circulation in the neighbourhood of the registered office of the society wherein it is desired that the cancelling of registry shall be published, and shall be accompanied by the sum requisite to defray the expense of such publication, and by the further sum of 5*s*. 6*d*. for publication of such cancelling in the "Gazette" * : T. R. 53. The sum of 5*s*. 6*d*. was increased as from 10th June, 1921, to 8*s*. 3*d*. for the London Gazette, and as from 26th June, 1921, to 7*s*. 6*d*. for the Edinburgh Gazette: S. R. O. (1921), Nos. 1066, 1100.

Reasons for.

The power of the registrar to cancel the registry at the request of a society is discretional, and will not be granted to enable a society to get off the register and rid itself of its obligations, but only for some good reason, *e.g.*, that it may become a branch of another society, or be registered under a different class under this Act, or be registered under some other Act.

Procedure on compulsory cancelling of registry.

Where application is made to cancel registry under the compulsory powers of the registrar, the registrar may require such application to be made in duplicate in such form, and to be supported by such statutory declaration as the chief registrar may direct, and shall transmit one copy of such application to the Treasury for their consent: T. R. 54. The request for compulsory cancelling may be made by any person or persons. The mere fact that a society exists for the purpose of doing acts which are *ultra vires*, its rules does not make it a society which exists "for an illegal purpose" within the meaning of the section. The illegal purpose must be one which is unlawful independently of the rules: *Re Middle Age Pension Friendly Society*, (1915) 1 K. B. 432.

Instances of compulsory cancelling.

Examples of compulsory cancellation under the power conferred by this section have been mentioned by the chief registrar in his report from time to time; working men's clubs shown to

* Where proceedings are taken for cancelling registry under s. 73 of the Act, no request or advertisement is required.

exist mainly for the illegal purpose of selling liquor without a licence have had their registry cancelled. In one case a society having failed to make an annual return, the secretary was prosecuted and fined; the return being subsequently made, it was reported by the auditors that the society was insolvent, and in their opinion no further business should be transacted; the registry of the society was cancelled on the ground that it had ceased to exist: (1892), R. C. R. 8.

(2.) The chief or assistant registrar, in any case in which he might, with the approval of the Treasury, cancel the registry of a society, may, by writing under his hand, suspend the registry for any term not exceeding three months, and may, with the approval of the Treasury, renew the suspension for the like period.

See sub-s. 1 (b).

Suspension.

The suspension or renewal of suspension of registry shall be in Form AM (p. 540): T. R. 57. No fee is payable on suspension of registry.

(3.) Unless the chief or assistant registrar has given to a registered society not less than two months' previous notice in writing, specifying briefly the ground of any proposed cancelling or suspension, the registry of the society shall not be cancelled (except at its request) or suspended.

The notice before cancelling or suspension shall be in Form AK (p. 539): T. R. 55.

(4.) Where the registry of a society has been cancelled or suspended, notice thereof shall forthwith be advertised.

Advertisement of cancelling of registry.

The advertisement of cancelling and suspension shall be in Form AN (p. 540): T. R. 58. As to the method in which notices of cancelling and suspension of registry are advertised, see s. 81. There is no advertisement of the renewal of suspension.

A society whose registry is suspended or cancelled loses the right to cheap certificates of death, to invest with the National Debt Commissioners and the Post Office Savings Bank, and to

S. 77. exemption from stamp duties; further, the society loses its privileges against the estates of officers, and cannot obtain an order of the registrar to transfer stock, and cannot discharge mortgages by an endorsed receipt.

(5.) Where the registry of a society has been suspended or cancelled, the society shall from the time of the suspension or cancelling (but if suspended, only while the suspension lasts, and subject also to the right of appeal given by this section) absolutely cease to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by the society, and any such liability may be enforced against the society as if the suspension or cancelling had not taken place.

Effect of suspension or cancellation of registry.

During suspension of registry or upon cancellation thereof a society loses the legal status acquired by registration and ceases to enjoy all the special privileges conferred by the Act on a registered society (see sub-s. 4, *supra*), whilst it remains subject to any liability actually incurred at the date of suspension, *e.g.*, it may be prosecuted for failure to make an annual return.

If a society had deposits in several savings banks, the suspension or cancellation would render most of these illegal and liable to forfeiture under the Savings Banks Act, 1891 (54 & 55 Vict. c. 21), s. 12.

Removal of suspension.

The removal of suspension restores matters, but subject to events that have occurred in the meantime; if, however, the registry is cancelled the chaos continues, and there seems no means of distributing the funds and property.

A body whose registry as a society has been cancelled can only be again registered as a new society under s. 9.

(6.) A society may appeal from the cancelling of its registry, or from any suspension thereof which is renewed after six months, as follows:—

(a) from the assistant registrar for Scotland or Ireland to the chief registrar, and from him to the Court of Session in Scotland or the High Court in Ireland respectively; and

(b) from the chief registrar, in cases not relating exclusively either to Scotland or to Ireland, to the High Court in England. Ss. 77, 7

There is no appeal from the first six months' suspension of registry. Appeal.

The provision as to appeals is the same as that in the case of appeals from a refusal to register a society: s. 12 (p. 51).

78.—(1.) Subject to the provision of this Act as to the dissolution of societies with branches, a registered society or branch may terminate or be dissolved in any of the following ways:— Dissolution societies.

(a) upon the happening of any event declared by the rules to be the termination of the society or branch; or

(b) as respects societies or branches other than friendly societies or branches, by the consent of three-fourths of the members, testified by their signatures to the instrument of dissolution; or

(c) as respects friendly societies or branches, by the consent of five-sixths in value of the members (including honorary members, if any), testified by their signatures to the instrument of dissolution, and also by the written consent of every person receiving or entitled to receive any relief, annuity, or other benefit from the funds of the society or branch, unless the claim of that person is first duly satisfied, or adequate provision made for satisfying that claim, and, in the case of a branch, with the consent of the central body of the society, or in accordance with the general rules of the society; or

(d) by the award of the chief registrar or assistant registrars in the cases specified in this Act.

This section provides that a society if intended not to be permanent shall terminate at the time fixed by the rules, or whether intended to be permanent or not that it may be wound

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up either voluntarily, or in certain events compulsorily, by the registrar.

Distribution of funds on termination.

If the rules provide for the termination of the society they usually also provide for the distribution of the funds in that event, but if on the termination of a society no provision has been made by the rules for the distribution of its funds, such funds are divisible among the existing members at the time of the termination or dissolution in proportion to the amount contributed by each member for entrance fees and subscriptions, but irrespective of fines or payments made to members in accordance with the rules: *Re Printers and Transferers Amalgamated Trades Protection Society,* (1899) 2 Ch. 184; *Re Lead Company's Workmen's Fund Society,* (1904) 2 Ch. 196. In neither of the above-mentioned cases was there any question as to the persons entitled to any surplus after providing for the claims of the members under the rules, as in neither case were the funds sufficient to meet existing claims of the members: see observations of Eady, J., in *Braithwaite* v. *A.-G.*, (1909) 1 Ch. 510, 519. The same principle appears applicable in the winding-up in an action of an unregistered friendly society which is not charitable: *Tierney* v. *Tough,* (1914) 1 I. R. 142. Similarly in the case of an association formed to secure benefits to members and intended to be permanent, when the purpose becomes obsolete, the surplus funds belong to the members at the date when the purpose comes to an end in proportion to their contributions, and neither past contributors nor the Crown have any interest: *Re Customs and Excise Officers' Mutual Guarantee Fund,* (1917) 2 Ch. 18.

Funds of defunct societies.

A society may sometimes become defunct or moribund by its members either all dying or becoming so reduced in numbers that it is impossible either to continue the society or to dissolve it by instrument; in such cases the surplus funds, after all existing claims (if any) under the rules have been satisfied or provided for, are not divisible among the surviving members: *Braithwaite* v. *A.-G.*, (1909) 1 Ch. 510; or the last survivor: *Spiller* v. *Maude* (1864), 10 Jur. N. S. 1089; or the representative of the last survivor: *Spiller* v. *Maude* (1881), 32 C. D. 158, n.; *Cunnack* v. *Edwards,* (1896) 2 Ch. 679; nor is there any resulting trust in favour of the personal representatives of the members of the society: *Cunnack* v. *Edwards,* (1896) 2 Ch. 679; not even in favour of honorary members in respect of donations by them: *Braithwaite* v. *A.-G.*, (1909) 1 Ch. 510; but a society which, though moribund, had at a testator's death one member and three annuitant beneficiaries, was held to be existing so as

to prevent the lapse of a legacy bequeathed to it by the testator: *Re Buck,* (1896) 2 Ch. 727.

In these circumstances two cases seem to occur; if the purposes of the society are charitable (as to which, see p. 34) the surplus will be applicable *cy-près: Spiller* v. *Maude* (1881), 32 C. D. 158, n.; *Re Buck,* (1896) 2 Ch. 727; but if the society is not a charity, the surplus belongs to the Crown as *bona vacantia: Cunnack* v. *Edwards,* (1896) 2 Ch. 679; *Braithwaite* v. *A.-G.,* (1909) 1 Ch. 510; cf. *Sharp* v. *Dunbar Sailors' Society* (1903), 10 Sc. L. T. 572.

Where a juvenile society, whose rules provided for the termination of membership on attaining a given age, had thus ceased to have any members and had not before that time taken steps to dissolve the society and distribute its funds, it was held by the chief registrar in a savings bank dispute that neither the last member nor the adult society to which the juvenile society belonged had any claim to the unexhausted funds which had become the property of the Crown as *bona vacantia: Re Perseverance Juvenile Foresters Friendly Society* (1923), R. C. R. 51. In such cases the chief registrar has authority where the funds do not exceed 100*l.* to allow them to be transferred to the adult branch with which the juvenile society was associated, if he thinks the branch contains such a proportion of the surviving members of the juvenile society as to warrant him in doing so.

Voluntary dissolution instrument

For the provisions as to the contents of the instrument of dissolution and the means to be taken to perfect it, see s. 79 (pp. 191—194). The proceedings and meetings to arrange the terms of a dissolution may be conducted in accordance with the rules whether as to voting by proxy or otherwise, but the signatures of members are necessary to attest their consent.

Signatures the instrument.

The signature of a member may be made by an agent: *Dennison* v. *Jeffs,* (1896) 1 Ch. 611; cf. *R.* v. *JJ. of Kent* (1873), L. R. 8 Q. B. 305, where it was held that the common law rule, *Qui facit per alium facit per se,* ought not to be restricted unless the statute expressly does so. In Scotland the Court of Session has held that personal signature is indispensable: *Second Edinburgh and Leith 493rd Starr-Bowkett Building Society* v. *Aitken* (1892), 29 Sc. L. R. 456.

An infant can consent to a dissolution and sign the instrument for that purpose: *Dennison* v. *Jeffs,* (1896) 1 Ch. 611; but an agent cannot sign for him: *Rudd* v. *James,* (1896) 2 Ch. 554; unless he is under sixteen, see s. 36. A juvenile branch of a

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society governed by a committee of the society cannot be dissolved without the consent of the committee: *Rudd* v. *James*, (1896) 2 Ch. 554.

Consent of members necessary to dissolution.

If a member who has given notice of withdrawal from the society has any interest in the society which is still unsatisfied under the rules, he may still be a member, and have to be taken into account in ascertaining the statutory majority for a dissolution: *Sibun* v. *Pearce* (1890), 44 C. D. 354.

In the case of societies other than friendly societies, the consent of honorary members (if any) appears unnecessary (clause b).

Consent of persons receiving relief.

The consent of persons entitled to or receiving relief is necessary for the dissolution of a friendly society; hence, if such a person has not either signed the instrument of dissolution or assented thereto in writing, it seems that he would, in the absence of adequate provision for satisfying his claim, be entitled to benefit or death allowance, even though the instrument provided for cessation of payments on a certain date. The majority bind the minority to a dissolution only; they cannot alter their rights under the rules: cf. *Kemp* v. *Wright*, (1895) 1 Ch. 121; *Botten* v. *City and Suburban Permanent Building Society*, (1895) 2 Ch. 441.

Aiding or abetting in the dissolution of a friendly society otherwise than as the Act provides is punishable under s. 90 (p. 211).

Approved societies.

An approved society cannot be dissolved without the sanction of the Minister of Health: N. H. I. A., s. 37, and provision is made by regulations for carrying into effect any such dissolution, or the dissolution of branches of approved societies: see N. H. I. A., 1924, ss. 37, 40. The manner and conditions of dissolution are prescribed in the National Health Insurance (Approved Societies) Regulations, 1924, Nos. 98 to 120.

Dissolution of branches.

In the case of a friendly society with branches, the consent of the central body is required for the dissolution of a branch: s. 82. The absence of such consent renders the dissolution void: *Kelly* v. *Peacock* (1917), 55 Sc. L. R. 65.

Compulsory dissolution by the registrar.

The registrar has power to wind up a society compulsorily, but only on two grounds, either insufficiency of funds to meet existing claims or insufficiency of contributions to provide for the benefits assured, *i.e.*, that the society is insolvent or must necessarily become so: see s. 80 (p. 198). Dissolution in this manner can only be had at the instance of a certain number of the members. A collecting society, however, can be dissolved compulsorily by the registrar of his own motion for default in

making a deposit, or as a result of an inspection into its affairs, or on account of a deficiency disclosed on a valuation: I. A. A., ss. 7 (3), 17 (2), 18 (3).

Winding-u under Com panies (Cor solidation) Act, 1908.

In addition to the methods of dissolving a society provided by this section, a society registered under this Act may be wound up compulsorily as an unregistered company under the Companies (Consolidation) Act, 1908, s. 268 (formerly the Companies Act, 1862, s. 199). Winding-up orders have been made in the case of a friendly and provident society which had done no business for nineteen years: *Re Alfreton District Friendly and Provident Society* (1863), 7 L. T. 817; and a loan society: *Re Independent Protestant Loan Fund Society*, (1895) 1 I. R. 1; *Re Irish Mercantile Loan Society*, (1907) 1 I. R. 98; and a friendly society: *Re 20th Century Equitable Friendly Society*, (1910) W. N. 236; *Tean Friendly Society* (1914), 58 S. J. 234; and a working man's club: *Re Ironfounders* (*Bradford Branch*) *Social Club and Institute*, (1923) W. N. 127. Though the members of a friendly society who have given notice of withdrawal of deposits are not in the position of outside creditors and entitled *ex debito justitiæ* to a winding-up order, it will be made where the circumstances make it just or equitable to do so: *Re Independent Protestant Loan Fund Society, ubi sup.*; and the fact that the society is in process of being dissolved voluntarily does not prevent a creditor from obtaining a winding-up order: *Re Irish Mercantile Loan Society, ubi sup.* Application to stay proceedings under an execution obtained before the winding-up order must be made to the Court in which the action is pending: *Re 20th Century Equitable Friendly Society*, (1910) W. N. 236. A winding-up cannot be effected, however, unless there are more than seven existing members at the date of the winding-up petition: *Re Bolton Benefit Loan Society* (1879), 12 C. D. 679; *Re Bowling and Welby*, (1895) 1 Ch. 663.

As sub-ss. (2) and (3) of s. 131 of the Companies (Consolidation) Act, 1908, apply only to companies having share capital, a friendly society which has no shares or capital can only be wound up in the High Court, and the county court would have no jurisdiction: see *Re North of England Iron Steamship Insurance Association*, (1900) 1 Ch. 481; *Re Monmouthshire and South Wales Employers' Mutual Indemnity Society* (1909), W. N. 6; *Re Ironfounders* (*Bradford Branch*) *Social Club and Institute*, (1923) W. N. 127.

Winding-up of unregis- tered societi

An unregistered friendly society appears to be illegal as an association forbidden by s. 1 of the Companies (Consolidation)

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Act, 1908 (see *Re Padstow Total Loss and Collision Assurance Association* (1882), 20 C. D. 137; *Re Ilfracombe Permanent Mutual Benefit Building Society*, (1901) 1 Ch. 102), and so incapable of being wound up under the Companies (Consolidation) Act, 1908, but contrary to the last-cited case, it was held in Scotland that a society which had been originally formed in a legal manner, but had ceased to be registered, was not an association prohibited by and incapable of being wound up under the Companies Act: *Smith* v. *Irvine and Fullarton Building Society* (1903), 6 Fr. 99; and see also *Re Victoria Society, Knottingley*, (1913) 1 Ch. 167, where an unregistered society formed in 1832 was wound up by the Court. Apart, however, from the Companies (Consolidation) Act, 1908, the High Court has jurisdiction to dissolve and wind up the affairs of an unregistered society and to ascertain the rights of all the persons beneficially interested in its assets by settling a scheme for the equitable distribution of the remaining funds: *Re Lead Company's Workmen's Fund Society*, (1904) 2 Ch. 196; *Tierney* v. *Tough* (1914), 1 I. R. 142; see also *Bolton Benefit Loan Society* (1879), 12 C. D. 679, 680; but the Court ought not to do so at the instigation of some of the members unless there is a practical impossibility of continuing the society: *Blake* v. *Smither* (1906), 22 T. L. R. 698. In Scotland, where an action had been brought by one of two surviving and only possible beneficiaries in a society for the regulation by the Court of the expenditure of its income, the fee of its funds being vested in a judicial factor for the Crown, as *ultimus heres*, the action was dismissed as irrelevant: *Sharp* v. *Dunbar Sailors' Society* (1903), 10 Sc. L. T. 572.

There would appear to be no ground of objection to registration of an unregistered society under this Act for the mere purpose of dissolution, and the powers of distribution would then follow: cf. *Fountain's Case* (1865), 34 L. J. Ch. 593.

(2.) The provisions of this Act as to the method of calculating the value of members and the remedy of members and persons dissatisfied with the provisions made for satisfying their claims in the case of the amalgamation or transfer of engagements of a registered friendly society shall apply to the dissolution of a registered friendly society or branch.

Value of members.

The value of members is one vote for each member with additional votes (not exceeding four) for every five years he has

been a member: s. 70 (6); the date at which the value of members is to be ascertained would seem to be the date of the instrument. The remedy of a member or person dissatisfied is by application to the county court: s. 70 (7). Ss. 78, 79

79. When a registered society or branch is terminated by an instrument of dissolution:— Instrument of dissolution.

(1.) The instrument shall set forth—

(a) The liabilities and assets of the society or branch in detail; and

(b) the number of members and the nature of their interests in the society or branch; and

(c) the claims of creditors (if any), and the provision to be made for their payment; and

(d) the intended appropriation or division of the funds and property of the society or branch, unless the appropriation or division is stated in the instrument of dissolution to be left to the award of the chief registrar.

Every instrument of dissolution of a society shall be in Form AO (p. 541), and every instrument of dissolution of a branch of a friendly society in Form AO*b* (p. 542), and shall be signed in duplicate, and accompanied by a statutory declaration in Form AP (p. 544), and by a statement naming some newspaper in general circulation in the neighbourhood of the registered office of the society or branch wherein it is desired that notice of the dissolution shall be published, and by the sum requisite to defray the expenses of such publication, and by the further sum of 5*s*. 6*d*. for the like publication in the "Gazette": T. R. 60. The sum of 5*s*. 6*d*. is increased as from 10th June, 1921, to 8*s*. 3*d*. for the London Gazette, and as from 26th June, 1921, to 7*s*. 6*d*. for the Edinburgh Gazette: S. R. O., 1921, Nos. 1066, 1100. The registrar shall return one of the duplicates to the society, or in the case of a branch to the branch through the society, with an acknowledgment of registry in Form AQ (p. 544): T. R. 61. Alterations in the instrument of dissolution shall be signed, declared to, and registered in like manner: T. R. 62. The advertisement of dissolution by instrument shall be in Form AR (p. 545): T. R. 63. As to the method Procedure.

S. 79. of advertising the notice of dissolution, see s. 81. Every award of the chief registrar for distribution of funds shall be in Form AS (p. 545): T. R. 64.

In settling the instrument of dissolution the following points should be observed. Printed forms (p. 541) obtainable from the registrar should be used, and if the space is insufficient pages of the same size should be interleaved. Two copies of it should be filled in before any signatures are obtained, and afterwards both should be signed. The date should be the date from which it is intended the instrument should operate, *i.e.*, the date at which the society intends its operations (including the payment of contributions and benefits) to cease and its dissolution to begin. In clause 1 should be inserted the names of all members who are or ought to be in receipt of benefit at the date of the instrument who do not sign. In clause 2 each debt and other liability should be shortly stated, and the total amount thereof, and each item of the society's investments, cash and other property, and the total value thereof. In the case of cash it should be stated in whose hands it is. In clause 3 should be given the number of members, including honorary members and widows, stating shortly the nature of the benefits, or, if preferred, referring to the rules providing for them. If there are creditors and the particulars have been given in clause 2, they need not be repeated in clause 4, but any special provision for their payment should be shortly stated. If the members agree on the appropriation and division of the funds, which may be in any manner they think fit, the principle only of such appropriation and any special matters connected therewith should be stated in clause 5; it is inconvenient to state exact sums to be paid as the amount of the assets until realised is uncertain. As regards clause 6, the amount of the charges of the local paper should be ascertained: the advertisements are inserted by the registrar. Before any signatures are obtained, if any doubt is entertained whether the instrument is in order, it may be submitted to the registrar for his observations. In cases where many signatures have to be obtained, or where they have to be collected from a distance, several forms may be filled in and used as originals. These can be sent or taken round for signature, but each member should sign two duplicates of the instrument, if possible. Where it has proved impossible to obtain all the signatures in duplicate, one original instrument may be sent for registry, accompanied by a true copy, which can be made an office copy, and sealed by the registrar on payment of 3*s*. 6*d*. If the signatures are too numerous for one form,

additional signatures may be written on paper of the same size and attached to it.

With the instrument should be sent a return, in the form of the annual return, covering the period from the last annual return up to the date of the instrument. If the property of the society is not likely to be speedily realised, the registrar should be so informed and of the reasons for expecting delay.

Beyond the cost of advertisements as above, no fee is payable for the registry of the instrument of dissolution or any amendment therein, but a fee is payable for an award for distribution of funds if this is left to the chief registrar, p. 220.

The instrument of dissolution would not require to be stamped, s. 33 (d).

If the deed of dissolution is correct in form, the court will not interfere: cf. *Glover* v. *Giles* (1881), 18 C. D. 173, 181. The signature of a member to one only of the two duplicate instruments of dissolution is inoperative: *Dennison* v. *Jeffs*, (1896) 1 Ch. 611.

Trustees for dissolution.

It is to be noticed that sub-s. 1 does not require, as is required by the corresponding section of the Building Societies Act, 1874 (37 & 38 Vict. c. 42), s. 32 (3), that the instrument of dissolution shall set forth the names of one or more persons to be appointed trustees for the special purpose and their remuneration. In the case of societies under this Act a provision appointing such a person might be inserted in the instrument of dissolution, and in some cases it might be advisable to do so in order to facilitate the distribution of the property of the society. But in appointing such a person the instrument of dissolution should confer on him a proper title to the property and the necessary powers to carry out the objects for which he is appointed: *Re Campbell* (1890), 28 Sc. L. R. 147. The trustees of the society, however, would usually be the proper persons to realise the property of the society and distribute it, if no provision were made to the contrary by the instrument of dissolution. The effect of this sub-section is that the property of a dissolved society becomes subject to a trust for appropriation and division (after providing for the payment of creditors) in accordance either with the provisions of the instrument or with the award of the chief registrar: cf. *Re Ruddington Land*, (1909) 1 Ch. 701. As to the liability of trustees in respect of an instrument of dissolution: cf. *Re Second East Dulwich 745th Starr-Bowkett Building Society* (1899), 47 W. R. 408.

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It would appear that proceedings for a dissolution under this section are not equivalent to a voluntary winding-up of a company, and consequently a creditor who had obtained judgment against a society which is in course of dissolution might, notwithstanding, enforce his judgment by execution: cf. *Browne* v. *Royal Permanent Building Society* (1892), 18 Vict. L. R. 397.

A dissolution not carried out in accordance with the Act would be an offence, rendering the officers of the society liable to prosecution.

The usual procedure as to dissolution is not generally applicable to a specially authorised loan society, and if the period of three months fixed by sub-s. 6 after which the society becomes legally dissolved would not be sufficient to get in the assets, the better course appears to be to apply for an amendment of rules, a model of which has been suggested by the registrar (see p. 592). When such rule is submitted to the members, there should also be submitted accounts showing the total anticipated amount to be received from the borrowing members after allowing for bad or doubtful debts, and the amount due to investing members after deducting sums due from them in respect of loans to them by the society. The rules generally would continue to apply, and annual returns would have to be made until the society was removed from the register.

(2.) Alterations in the instrument of dissolution may be made with the like consents as are in this Act required for the dissolution of a society or branch, testified in the same manner.

See s. 78 (1).

(3.) A statutory declaration shall be made by one of the trustees, or by three members and the secretary of the society or branch, that the provisions of this Act have been complied with, and shall be sent to the registrar with the instrument of dissolution.

(4.) The instrument shall not in the case of a registered friendly society or branch direct or contain any provision for a division or appropriation of the funds of the society or branch, or any part thereof, otherwise than for the purpose of carrying into effect the objects of the

society or branch as declared in the rules thereof, unless the claim of every member or person claiming any relief, annuity, or other benefit from the funds thereof is first duly satisfied, or adequate provisions are made for satisfying those claims.

The instrument of dissolution does not exist until claims have been duly satisfied or provision made for their satisfaction, and the consent obtained of five-sixths of the members and of every person receiving or entitled to receive any relief, annuity or other benefit from the funds of the society. This sub-section would appear to be merely surplusage.

(5.) The instrument of dissolution and all alterations therein shall be registered in manner in this Act provided for the registry of amendments of rules, and shall be binding upon all the members of the society or branch.

Registration of dissolution

For the manner of registration, see s. 13.

A society was dissolved by instrument which provided for distribution of the funds, and was duly registered; one of the signatories died between the date of registration and that of advertisement. His widow claimed the sum which by the rules was payable on the death of a member. It was held by the chief registrar, on a reference to him, that the instrument of dissolution was binding on her as claiming through the member: *Fortune* v. *Orr* (1894), R. C. R. 14.

A member who signed an instrument of dissolution which provided that he should participate in the funds, died before the instrument was registered, and it was held by the chief registrar that his legal personal representative was entitled to receive his share: *Russell* v. *Hereford Friendly Society* (1899), R. C. R. 21.

(6.) The registrar shall cause a notice of the dissolution to be advertised at the expense of the society or branch, and, unless within three months from the date of the Gazette in which the advertisement appears, a member or other person interested in or having any claim on the funds of the society or branch commences proceedings to set aside the dissolution of the society or branch, and the dissolution is set aside accordingly, the society or branch

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shall be legally dissolved from the date of that advertisement, and the requisite consents to the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto.

Advertisement of dissolution.

For the manner of advertising the notice, see s. 81.

The effect of this is that division of the funds cannot take place until three months after the date of the advertisement by the registrar.

The trustees of a society, even if they are not interested in the property of the society in the sense in which those words are used in the Act, are not prevented from taking proceedings to set aside a dissolution and to preserve the property from being disposed of contrary to the rules of the society: *Rudd* v. *James*, (1896) 2 Ch. 554, 561.

The County Court Rules (Ord. XLI. r. 11) provide that proceedings to set aside the dissolution of any society or branch under this Act shall be commenced by plaint and summons in the ordinary way, in which the person seeking to set aside such dissolution shall be plaintiff and the society or branch, either in its own name or in the name of such persons as are authorised by the Act to be sued on behalf of the society or branch, shall be defendants. Particulars of demand shall be filed in such proceedings and shall state concisely the relief or order which the plaintiff claims. It does not, however, appear that the county court has jurisdiction to set aside a dissolution, as its jurisdiction is limited to the matters dealt with in s. 78 (2), *i.e.*, members or persons dissatisfied with the provisions made for satisfying their claims may apply to the county court for relief or other order, and that court shall have the same power in the matter as in regard to the settlement of disputes: s. 70 (7).

Dissolution by award.

80.—(1.) Upon the application made in writing under their hands—

(a) of one-fifth of the whole number of members of a registered society or branch; or

(b) in the case of a registered society or branch of one thousand members and not exceeding ten thousand, of one hundred members; or

(c) in the case of a registered society or branch of more

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than ten thousand members, of five hundred members,

the chief registrar may by himself, or by any assistant registrar, or by any actuary or public auditor whom the chief registrar may appoint in writing under his hand, investigate the affairs of the society or branch, but shall give not less than one month's previous notice in writing to the society or branch whose affairs are to be investigated.

The F. S. A., 1908, s. 8, amended the sub-section by reducing the length of the notice to the society from two months to one, with the object of expediting the procedure under this section.

Powers of registrar.

The registrar may be requested to investigate the affairs of the society either on the ground of insufficiency of funds or insufficiency of contributions, *i.e.*, that the society is either insolvent or must necessarily become so; and if, upon investigation —the actuary to the central office being the person generally appointed for the purpose—the registrar finds these charges substantiated, he has power, unless alterations are effected, to dissolve the society, and so prevent it from continuing hopelessly. But the granting of this investigation is entirely in the discretion of the registrar; the inquiry may be of an exhaustive or limited character, as he may think fit: *Professional and Civil Service Supply Association* v. *Dougal* (1898), 5 Sc. L. T. 359; so also his power of suspending the award for a period is discretionary. The society, on its part, is not bound to make the adjustment (if any) which may be recommended.

Branches.

The registrar cannot entertain an application for investigation into the affairs of a branch, with a view to its dissolution, without the consent of the central body of the society: s. 82.

Where under the I. A. A. the commissioner awards the dissolution of a collecting society, the award is to be made in the like manner and to have the like consequences as an award under this section: I. A. A., s. 45 (2).

(2.) The application shall—

(a) state that the funds of the society or branch are insufficient to meet the existing claims thereon, or that the rates of contribution fixed in the rules of the society or branch are insufficient to cover the benefits assured; and

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(b) set forth the grounds on which the insufficiency is alleged; and

(c) request an investigation into the affairs of the society or branch with a view to the dissolution thereof.

Application to registrar.

Every application for dissolution of a society by award of the chief registrar shall be in Form AT (p. 546), and shall name some newspaper in general circulation in the neighbourhood of the registered office of the society, wherein it is desired that notice of the award shall be published, and with it shall be sent the sum requisite to defray the expenses of such publication, and the further sum of 5*s*. 6*d*. for the like publication in the "Gazette": T. R. 65; the sum of 5*s*. 6*d*. is increased as from 10th June, 1921, to 8*s*. 3*d*. for the London Gazette, and as from 26th June, 1921, to 7*s*. 6*d*. for the Edinburgh Gazette: S. R. O., 1921, Nos. 1066, 1100. The notice of investigation shall be in Form AU (p. 547), and the award in Form AV (p. 547): T. R. 66. The notice of dissolution by award shall be in Form AW (p. 548): T. R. 67. As to the method in which the notices are to be advertised, see s. 81. Fees are payable for a registrar's award of dissolution, and also for the award for distribution of funds, see p. 220.

Where application is made for an investigation into the affairs of a society with a view to the dissolution thereof, upon the ground that the rates of contribution fixed in the rules of such society are insufficient to cover the benefits assured, the chief registrar may, if he think fit, at any time before making his award, require payment of such fee as he may deem reasonable, not exceeding the scale fixed by T. R. 19 (p. 74), and such fee shall be paid in manner prescribed by T. R. 20 (p. 74): T. R. 70. If the application is successful and an award of dissolution is made, this fee would become payable out of the funds of the society under sub-s. 6.

(3.) If upon the investigation it appears that the funds of the society or branch are insufficient to meet the existing claims thereon, or that the rates of contribution fixed in the rules of the society or branch are insufficient to cover the benefits assured to be given by the society or branch, the chief registrar may, if he considers it expedient so to do, award that the society or branch be dissolved,

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and its affairs wound up, and shall direct in what manner the assets of the society or branch shall be divided or appropriated: Provided always, that the chief registrar may suspend his award for such period as he may deem necessary to enable the society or branch to make such alterations and adjustment of contributions and benefits as will in his judgment prevent the necessity of the award of dissolution being made.

As to the power of the chief registrar as the commissioner under the I. A. A. to award the dissolution of a collecting society, see pp. 290, 303, 308.

In proceedings taken under this section for the dissolution of a society, the chief registrar has jurisdiction to adjudicate on the claims of the managing director of the society against the society, and of the society against such director: *R.* v. *Registrar of Friendly Societies, Ex p. Evans* (1900), 16 T. L. R. 346.

(4.) A registrar proceeding under this section shall have all the same powers and authorities, enforceable by the same penalties, as in the case of a dispute referred to him under this Act.

See s. 68 (4) and note thereto (pp. 154, 155). Costs ordered by the registrar to be paid are recoverable under s. 91 (3), and not in the county court under s. 68.

(5.) Every award under this section, whether for dissolution or distribution of funds, shall be final and conclusive on the society or branch in respect of which the award is made, and on all members of the society or branch and on all other persons having any claim on the funds of the society or branch, without appeal, and shall be enforced in the same manner as a decision on a dispute under this Act.

Award.

An award under this section must be for dissolution and distribution: see sub-s. 3. It does not seem clear that this subsection applies to an award for distribution of funds only when the dissolution has been effected by instrument under s. 79.

As to enforcing the award, see s. 68 (pp. 151, 156).

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The effect of sub-s. 5 is that there is no appeal from the award of the registrar upon the merits, as, for instance, upon the ground that it is unjust between parties. A member having a claim on the funds of the society is not entitled to take proceedings to set aside the dissolution merely on the ground that he is dissatisfied with the provision made for satisfying his claim: *Wilmot* v. *Grace*, (1892) 1 Q. B. 812.

An award for dissolution of a collecting society made under the I. A. A. is subject to an appeal: see I. A. A., s. 45 (2).

Quære, whether the award would bind outside creditors or strangers to the society: cf. *R.* v. *Registrar of Friendly Societies, Ex p. Evans* (1900), 16 T. L. R. 346.

(6.) The expenses of every investigation and award, and of publishing every notice of dissolution, shall be paid out of the funds of the society or branch before any other appropriation thereof is made.

(7.) Notice of every award for dissolution shall, within twenty-one days after the award has been made, be advertised by the central office and unless, within three months from the date on which that advertisement appears, a member or person interested in or having any claim on the funds of the society or branch commences proceedings to set aside the dissolution of the society or branch consequent upon such award, and the dissolution is set aside accordingly, the society or branch shall be legally dissolved from the date of the advertisement, and the requisite consents to the application to the registrar shall be considered to have been duly obtained without proof of the signatures thereto.

For the manner of advertising the notice, see s. 81.

etting aside ward.

Sub-s. 7 contemplates proceedings to set aside the award, not upon the ground that it is unjust as between parties, but upon other grounds, *e.g.*, that the chief registrar has exceeded his authority, or has not heard all the parties interested: *Wilmot* v. *Grace*, (1892) 1 Q. B. 812, per Cave, J., at p. 815.

It appears that the county court has no jurisdiction to entertain an application to set aside the award of the chief registrar, but that application should be to the High Court. In *Wilmot* v. *Grace*, (1892) 1 Q. B. 812, Wright, J., thought that the

Treasury had no power to make the regulations and forms (see *infra*) providing for an appeal to the county court from the award of the chief registrar dissolving a friendly society.

81. A notice required by this Act to be advertised shall be published in the Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society or branch.

Advertisement of notices.

For the meaning of the Gazette, see s. 106.

The notices required to be advertised are notices of cancelling and suspension of registry, s. 77 (4); of dissolution by consent, s. 79 (6); and of dissolution by award, s. 80 (7). Circulation in the neighbourhood of the registered office is now substituted for circulation in the county in which the registered office is situate.

82. The provisions of this Act respecting the dissolution of societies shall not apply to any society having branches except with the consent of the central body of the society.

Dissolution of societies having branches.

This section applies to the application for investigation, &c. with a view to dissolution; in the case of a dissolution of a branch by instrument the consent of the central body is required by s. 78.

83.—(1.) Where a person takes any proceeding to set aside the dissolution of a society or branch, he shall give notice of the proceeding to the central office not less than seven days before the proceeding is commenced.

Notice of proceedings or order to set aside dissolution.

(2.) Where an order is made setting aside the dissolution of a society or branch, the society or branch shall give notice of the order to the central office within seven days after the order has been made.

The notice of a proceeding to set aside a dissolution by instrument shall be in Form AX (p. 548), and the notice of an order setting aside a dissolution in Form AY (p. 549). Where such notice relates to a society which is registered and does business exclusively in Scotland or Ireland, it shall be sent to the central office through the assistant registrar for Scotland or Ireland, as the case may be. In all other cases where a society is registered

Ss. 83, 84. or does business in Scotland or Ireland, the central office shall forthwith apprise the assistant registrar for Scotland or Ireland, as the case may be, of the receipt of the same: T. R. 68.

It will be noticed that these forms (AX, AY) imply that the application is to be to the county court; but *quære* whether the county court has jurisdiction to set aside an award of the chief registrar dissolving a society: see *Wilmot* v. *Grace*, (1892) 1 Q. B. 812, 814.

If the dissolution is set aside, the society is restored to the register.

Offences, Penalties, and Legal Proceedings.

Offences. **84.** It shall be an offence under this Act if—

(a) a registered society or branch or an officer or member thereof fails to give any notice, send any return or document, do or allow to be done any thing which the society, branch, officer, or person is by this Act required to give, send, do, or allow to be done; or

(b) a registered society or branch or an officer or member thereof wilfully neglects or refuses to do any act or to furnish any information required for the purposes of this Act by the chief or other registrar or by any other person authorised under this Act, or does any thing forbidden by this Act; or

(c) a registered society or branch or an officer or member thereof makes a return or wilfully furnishes information in any respect false or insufficient; or

(d) an officer or member of a body which, having been a branch of a society, has wholly seceded or been expelled from that society, thereafter uses the name of that society or any name implying that the body is a branch of that society, or the number by which that body was designated as such branch; or

(e) where a dispute is referred under this Act to the chief or other registrar, a person refuses to attend or to produce any documents, or to give evidence before the chief or other registrar; or

(f) a society or branch whether registered or unregistered pays money on the death of a child under ten years of age otherwise than is provided by this Act; or

(g) a parent or personal representative of a parent claiming money on the death of a child produces a certificate of the death other than is in this Act provided to the society or branch from which the money is claimed, or produces a false certificate, or one fraudulently obtained, or in any way attempts to defeat the provisions of this Act with respect to payments upon the death of children.

Penalty.

The penalty for the offences mentioned under this section is a fine of not more than 5*l.*: s. 89.

For further offences in connection with collecting societies and industrial assurance companies and the penalties for the same, see the I. A. A., s. 39 (p. 340).

On the meaning of wilfully neglecting, cf. *R.* v. *Senior*, (1899) 1 Q. B. 283.

Offences in libraries.

The Libraries Offences Act, 1898 (61 & 62 Vict. c. 53), applies to any library or reading-room maintained by a society registered under the Friendly Societies Act; the Act does not extend to Scotland.

Offences by societies to also offence by officers, &c.

85. Where a registered society or branch is guilty of an offence under this Act every officer of the society or branch bound by the rules thereof to fulfil any duty whereof the offence is a breach, or if there is no such officer, then every member of the committee, unless that member is proved to have been ignorant of or to have attempted to prevent the commission of the offence, shall be liable to the same penalty as if he had committed the offence.

For the definitions of "officer" and "committee," see s. 106.

s. 85—87.

An offence by a society being an offence by its officers, if there is no officer whose duty it is to do the acts the omission of which constitutes the offence, the whole committee should be proceeded against; but it is desirable that the rules should specifically state which of the officers is appointed to perform the various statutory duties on behalf of the society.

Even a compulsory winding-up of a society and appointment of a liquidator would appear not to relieve an officer of the society from obligations which should have been fulfilled during the time he held office, *e.g.*, preparing annual returns, and he would seem to be liable to penalty for such default.

Where one person has been duly appointed an officer and another person not properly appointed acts in that capacity in his stead, both would appear to be liable for penalties for neglect of duties attached to that office constituting offences under the Act: see (1916) R. C. R. 27.

An officer who *bonâ fide* resigns before the expiry of the period for doing an act, the omission to do which is an offence, is not liable to be convicted, even though he may continue to act voluntarily as an assistant to the officer appointed in his stead: cf. *Booth* v. *Weightman* (1904), 20 T. L. R. 651. If, however, the resignation were for any reason ineffective, it would seem that the officer could only escape liability by proving ignorance of the offence or an attempt to prevent it.

Continuing offences.

86. Every default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the default continues.

This section renders the offences under this Act continuing offences, and in most cases will prevent the operation of the limit of time for making a complaint or laying an information imposed by the Summary Jurisdiction Act, 1848 (11 & 12 Vict. c. 43), s. 11.

Punishment of fraud, false declarations, and misappropriations.

87.—(1.) If any person, with intent to mislead or defraud, gives to any other person a copy of any rules, laws, regulations, or other documents, other than the rules of a registered society or branch, on the pretence that they are the existing rules of that society or branch, or that there are no other rules of the society or branch, or gives to any person a copy of any rules on the pretence that

those rules are the rules of a registered society or branch when the society or branch is not registered, the person so offending shall be guilty of a misdemeanor.

As to the obligation to deliver copies of the rules, see s. 38.

This is an indictable offence, and is not the subject of the summary jurisdiction of the magistrates; it subjects the offender to fine or imprisonment or both. Every attempt to commit a misdemeanor or to incite another person to the commission of a misdemeanor is a misdemeanor.

(2.) If any person knowingly makes a *false or* fraudulent statement in any statutory declaration required by this Act, he shall be guilty of a misdemeanor.

The words " false or " have been repealed, so far as the Act applies to England, by the Perjury Act, 1911 (1 & 2 Geo. 5, c. 6), s. 17; under s. 5 of which a person knowingly and wilfully making a statement false in a material particular in a statutory declaration is guilty of a misdemeanor for which he is liable to imprisonment with or without hard labour not exceeding two years or to a fine or to both.

False statutory declaration.

A statutory declaration is required by the Act in the case of a dissolution by instrument: s. 79 (3).

The society or its trustees are empowered by the Act to require a statutory declaration when a member is claiming benefits, s. 41 (2); and before making payment of moneys due to a deceased member, s. 59. Statutory declarations are also required by the Treasury regulations to accompany the following applications: To register amendments of rules, s. 13; or branch rules, s. 19; for a direction to transfer stock, s. 34; for approval of change of name, s. 69; to register special resolutions for amalgamation or transfer of engagements, s. 70; or for conversion into, amalgamation with or transfer of engagements to a company, s. 71; and for the appointment of inspectors or calling of special meetings, s. 76; or for cancelling of registry, s. 77. The central office also requires a statutory declaration to accompany the application under s. 87 (4) (c) for an authority to prosecute. It does not seem that this sub-section would apply to any of the statutory declarations enumerated in this paragraph, but by the Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 21, in this Act the expression " statutory declaration " means

S. 87. a declaration made by virtue of the Statutory Declarations Act, 1835 (5 & 6 Will. 4, c. 62), and to such statutory declarations the Perjury Act, 1911, applies.

In the case of registry of amendments of rules, special resolutions and transfers of engagements from one society to another, where a statutory declaration is required by Treasury regulation only, the chief or other registrar may for the purposes of the Friendly Societies Act require and receive as an alternative to such declaration information in the form provided for the purpose in the schedule to this regulation: T. R. 75; see Forms CI, CbI, UI, XI, pp. 550, 551.

(3.) If any person obtains possession by false representation or imposition of any property of a registered society or branch, or withholds or misapplies any such property in his possession, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society or branch and authorised by this Act, he shall, on such complaint as is in this section mentioned, be liable on summary conviction to a fine not exceeding twenty pounds, and costs, and to be ordered to deliver up all such property, or to repay all sums of money applied improperly, and in default of such delivery or repayment, or of the payment of such fine and costs as aforesaid, to be imprisoned, with or without hard labour, for any time not exceeding three months.

Provided that where on such a complaint against a person of withholding or misapplying property, or applying it for unauthorised purposes, it is not proved that that person acted with any fraudulent intent, he may be ordered to deliver up all such property or to repay any sum of money applied improperly, with costs, but shall not be liable to conviction, and any such order shall be enforceable as an order for the payment of a civil debt recoverable summarily before a court of summary jurisdiction.

"Property" means all property whether real or personal (including books and papers): s. 106.

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Nature of proceedings under this sub-section

The proceedings under this sub-section are of a criminal nature, and therefore in order to convict a person under this sub-section of "withholding or misapplying property" of a society, misconduct of a criminal character, *e.g.*, fraud or misrepresentation, must be shown, and in the absence of such misconduct the sub-section does not apply, *e.g.*, when the withholding or misapplying is due to mere inability to pay: *Barrett* v. *Markham* (1872), L. R. 7 C. P. 405; or to an honest, although mistaken misapplication: *Scott* v. *Wilson* (1893), 9 T. L. R. 492; or to a *bonâ fide* dispute concerning the ownership of the property: *Madden* v. *Rhodes*, (1906) 1 K. B. 534. But the proviso, which was enacted by the F. S. A., 1908, s. 9, empowers the Court, in any case where the prosecution fails to prove the fraudulent intention necessary to procure a conviction, to order the delivery of the property or repayment of the money; even before the amendment made by this proviso, an order made by a magistrate treating a claim under this sub-section as a civil debt was held to be regular on the face of it and not to be set aside: *R.* v. *Truscott* (1899), 81 L. T. 188.

A *primâ facie* case is established against a person which he ought to be called upon to answer if it is proved that he has received property of the society and has failed to give it up on demand or to account for it: *R.* v. *Bennett* (1894), 63 L. J. M. C. 181.

Where section not applicable.

Proceedings under this sub-section could not be taken against the assignee of an officer who, being indebted to the society for money received on its behalf, had made an assignment for the benefit of his creditors, unless it were shown that specific money of the society was in the hands of the assignee: *Ex p. O'Donnell* (1865), L. R. 1 Q. B. 274; nor by a registered society consisting of some members of a former unregistered society against the treasurer of the old society, to compel delivery up of papers in his hands, unless he has been a party to the registration: *Patrick* v. *Gilbert* (1870), 18 W. R. 315; cf. *Ex p. Gordon* (1851), 15 J. P. 767.

"Withholding" must be a continuing offence, and therefore the six months' limitation under the Summary Jurisdiction Act, 1848 (11 & 12 Vict. c. 43), s. 11, does not apply: cf. *Mayer* v. *Harding* (1867), 17 L. T. 140; but s. 11 is a bar to summary proceedings under the proviso for an order for repayment of a sum of money which was "misapplied" more than six months before the laying of the information: *Mackie* v. *Fox* (1911), 105 L. T. 523.

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Evidence.

In criminal proceedings under this sub-section a defendant is not compellable to give evidence, but may do so if he desires, and may likewise call his wife as a witness: Criminal Evidence Act, 1898 (61 & 62 Vict. c. 36). Several acts of misappropriation might be included in one information to justices.

Remedy by action.

The remedy given by this sub-section does not take away the common law remedy by action, and a treasurer may be sued for money had and received: *Sinden* v. *Bankes* (1861), 30 L. J. Q. B. 102; cf. *Sharp* v. *Warren* (1818), 6 Pr. 131; and an officer would be liable to make good moneys of the society misappropriated by his private clerk whom he employed to transact the business of the society: see *Ex p. James* (1883), 48 J. P. 54; and in the case of officers the summary remedy under s. 55 may be resorted to; but where a penalty has been imposed on a person for misapplying the moneys of a society, and, an order to repay such moneys having been made against him, he has been imprisoned for default in paying the penalty and repaying the moneys, the order to repay and the imprisonment, which is execution upon it, are a bar to an action subsequently brought by the society for recovery of the same moneys: *Vernon* v. *Watson,* (1891) 2 Q. B. 288; *Knight* v. *Whitmore* (1885), 53 L. T. 233. But if the prosecution had been followed by a penalty only with imprisonment for default of payment, such imprisonment would seem not to prevent an action for the moneys due or proof for such moneys against the estate of the defaulter if he were insolvent.

Where a conviction is obtained under this sub-section the imprisonment which may be imposed in default of payment of the fine is regulated by the Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 5; but if only an order is obtained under the proviso it will be enforceable under the Summary Jurisdiction Act, 1879, ss. 34 and 35, and in order to obtain the committal of the defendant the prosecution must issue a judgment summons and prove possession of means by the defendant.

Agreement not to prosecute.

A security given to secure repayment of moneys misappropriated by an officer on an agreement that no proceedings should be taken for the recovery of penalties is an agreement to stifle prosecution, and therefore void: *Andrews* v. *Southwart* (1885), F. S. Cas. 73; and although made not with the defaulter but with a third party: *Cannon* v. *Rands* (1870), 23 L. T. 817. The agreement not to prosecute may be implied: *Jones* v. *Merionethshire Permanent Benefit Building Society,* (1892) 1 Ch. 173; but it must distinctly appear that there was an agreement, either express or implied, to abstain from prosecuting: *Ward* v. *Lloyd*

(1843), 6 Man. & G. 785; *Flower* v. *Sadler* (1882), 10 Q. B. D. 572. When a third person seeks to set such a security aside the burden of proof is on him to prove pressure or undue influence: *McClatchie* v. *Haslam* (1891), 17 Cox, C. C. 402; but any sums paid under such a security, having been paid in pursuance of a debt, are not recoverable: *Andrews* v. *Southwark* (1885), F. S. Cas. 73.

(4.) Complaint under this section may be made—

(a) in the case of a registered society, by the society or any member authorised by the society, or the trustees or committee of the society; or

(b) in the case of a registered branch, by

(i.) the branch or any member authorised by the branch or the trustees or committee thereof; or

(ii.) the central body of the society of which the branch forms part; or

(iii.) any member of the society or branch authorised by the central body; or

(c) in any case, by the chief registrar or any assistant registrar by his authority, or by any member of the society or branch authorised by the central office.

Institution of prosecution.

The prosecutor may be either (i) the society or branch which would prosecute by its trustees or officers authorised to sue (s. 94), or (ii) a member who must be authorised to do so either by the central office or by the society or branch (as the case may be), or by the trustees or committee thereof, or (in the case of a branch) by the central body of the society, or (iii) the chief or an assistant registrar.

As regards the authority to prosecute under clause (c), the chief registrar considers that the refusal to take proceedings by the society or the trustees or committee is not a condition precedent to the granting of the authority by the central office, and that the grant of such authority should be by no means a matter of course, but should only be made after a careful consideration of the declaration submitted: see (1913), R. C. R. 34.

For the form of statutory declaration and authority for prosecution, see p. 500.

Ss. 87, 88.

(5.) Nothing in this Act shall prevent any such person from being proceeded against by way of indictment, if not previously convicted of the same offence under the provisions of this Act.

Indictment.

It would be outside the scope of this work to discuss the various aspects in which offences under this section can be dealt with under the criminal law, but it may be useful to refer to the following cases.

Obtaining money by false pretences.

It seems doubtful if sub-s. 3 would apply to the case of a person who had by false representation obtained sick pay or other benefit from the society; but under such circumstances it would seem that he might be convicted of obtaining money by false pretences: *R.* v. *Dent* (1843), 1 C. & K. 249; *R.* v. *Taylor* (1901), 49 W. R. 671.

Embezzlement.

A secretary or clerk to a society who withholds or fails to account for money he has collected on behalf of a society may be said to be the servant of the trustees and convicted of embezzlement: *R.* v. *Miller* (1842), 2 Mood. 249; *R.* v. *Murphy* (1850), 4 Cox, C. C. 101; *R.* v. *Proud* (1861), 31 L. J. M. C. 71; *R.* v. *Bedford* (1869), 34 J. P. 117; but a treasurer who is an officer of the society is not a servant of the trustees, and cannot be so convicted: *R.* v. *Tyree* (1869), L. R. 1 C. C. 177. The secretary of an unregistered society, notwithstanding some of its rules are in restraint of trade, can be convicted of embezzlement: *R.* v. *Stainer* (1870), L. R. 1 C. C. 230; cf. *R.* v. *Tankard*, (1894) 1 Q. B. 548.

Forgery.

The treasurer of an unregistered society who had made a fictitious banker's pass-book to enable him to appropriate moneys of the society was convicted of forgery: *R.* v. *Smith* (1862), 31 L. J. M. C. 154.

The sanction of the Attorney-General is not a necessary preliminary to a prosecution of a treasurer of a society under the Larceny Act, 1901, s. 1 (1) [now the Larceny Act, 1916, s. 20 (1) (iv)], for fraudulently converting moneys of the society to his own use: *R.* v. *Davies*, (1913) 1 K. B. 573.

Fine for falsification.

88. If any person wilfully makes, orders, or allows to be made, any entry, erasure in, or omission from a balance sheet of a registered society or branch, or a return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same,

or to evade any of the provisions of this Act, he shall be liable to a fine not exceeding fifty pounds.

As to falsification of a collecting book or premium receipt book of a collecting society or industrial assurance company, see the I. A. A. s. 40, p. 343.

The fine is recoverable in a court of summary jurisdiction, s. 91.

Fine for ordinary offences.

89. A society or branch, and an officer or member of a society or branch, or other person guilty of an offence under this Act for which a fine is not expressly provided shall be liable to a fine of not more than five pounds.

Offences under the Act for which no penalty is expressly provided are enumerated in s. 84. In the case of a collecting society, a heavier penalty may be inflicted for offences under the I. A. A.: see p. 340.

As to the recovery of fines, see s. 91.

Special offences in the case of friendly societies.

90. If an officer or person aids or abets in the amalgamation or transfer of engagements or in the dissolution of a friendly society otherwise than as in this Act provided he shall be liable on summary conviction to the fine imposed by this Act for offences thereunder, or to be imprisoned with hard labour for a term not exceeding three months.

See as to amalgamation or transfer of engagements, s. 70; and as to dissolution, s. 78. Although ss. 70 and 78 apply to all registered societies, this section does not apply to any society other than a friendly society, nor to the dissolution of a branch.

The fine is that mentioned in s. 89; as to the recovery of fines, see s. 91.

Mitigation of punishment.

The court of summary jurisdiction may, in the case of imprisonment, impose the same without hard labour: Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 4.

Recovery of fines.

91.—(1.) A fine imposed by this Act, or by any regulations thereunder, or by the rules of a registered

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society or branch, shall be recoverable in a court of summary jurisdiction.

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Fines are imposed by the Act in ss. 87 (3), 88 and 89. There are no fines imposed by the regulations made under the Act. The fines imposed by the rules of a society give the society a power to punish negligent or refractory members; but such fines must not be contrary to the provisions of the Act (s. 13 (2)); they must also be reasonable, otherwise they cannot be enforced: cf. *Lovejoy* v. *Mulkern* (1877), 46 L. J. Ch. 630. Fines cannot be enforced beyond those imposed by the rules (*Lovejoy* v. *Mulkern, ubi sup.*); and an express power given by rule to fine in a specified instance negatives a power in the arbitration committee of a society to fine in other cases, and a judgment recovered in the county court for the amount makes no difference in validating the fine: *Loach* v. *Coley* (1907), 122 L. T. J. 463.

pplication fines.

Except in the case of the Isle of Man, s. 103 (5), Jersey, s. 104 (1) (e), and Guernsey, s. 104 (2) (e), the Act does not provide for the application of the penalties imposed by it; in England by the Summary Jurisdiction Act, 1848 (11 & 12 Vict. c. 43), s. 31, the clerk to the justices is to pay the penalties to the treasurer of the county, riding, division, liberty, city, borough or place for which the justice or justices have acted; but as to the application of fines imposed under the I. A. A., s. 39, see p. 343. It is presumed, however, that the fines imposed by the rules of the society being recoverable by the society are also payable to it.

(2.) Any such fine shall be recoverable at the suit of the chief registrar or of any assistant registrar, or of any person aggrieved.

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A person aggrieved is one who has sustained a legal loss or liability by the act in respect of which the penalty is given: *Robinson* v. *Currey* (1881), 7 Q. B. D. 465, 475; or can show that the act tends to his injury or damage in the legal sense of the word: *Re Rivière's Trade Mark* (1884), 26 C. D. 48, 54; cf. *Graves' Case* (1869), L. R. 4 Q. B. 715, 724. The registrar of births, &c. is aggrieved by the non-payment of his fee for a certificate if payment be made by a society on the death of a child without production of a certificate (see s. 84), and may sue for the penalty without the concurrence of the procurator fiscal in the case of unregistered as well as of registered societies: *Scott* v. *M'Intosh* (1876), Guth. Sh. Ct. Cas. (1st series), 211.

(3.) Any costs or expenses ordered or directed by the chief or other registrar to be paid by any person under this Act shall be recoverable summarily before a court of summary jurisdiction as a civil debt.

Costs recoverable summarily.

This sub-section was added by the F. S. A., 1908, s. 10. It provides an effective remedy for the recovery of costs which may be awarded by the registrar in proceedings before him under the Act, *e.g.*, on the hearing of a dispute (s. 68), or against persons whose conduct may have been responsible for the holding of an investigation under s. 80.

Civil debt.

The costs, &c. will be recoverable on a complaint to a court of summary jurisdiction instead of in the county court. A warrant cannot be issued to apprehend anyone failing to appear to the complaint; and a person making default in the payment of the amount ordered by the Court to be paid cannot be imprisoned unless evidence of his means to pay is produced: Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 35.

Jurisdiction of court of summary jurisdiction.

92. In England and Ireland all offences and fines under this Act may be prosecuted and recovered in the manner directed by the Summary Jurisdiction Acts either—

(a) at the place where the offence was committed; or

(b) as respects a prosecution against a registered society or branch or an officer thereof, at the place where the registered office of the society or branch is situated; or

(c) as respects a prosecution against a person other than a registered society or branch or an officer thereof, at the place where the person is resident at the time of the institution of the prosecution.

Summary Jurisdiction Acts.

"The Summary Jurisdiction Acts" means in relation to England and Wales the Summary Jurisdiction (England) Acts, *i.e.*, the Summary Jurisdiction Act, 1848, and the Summary Jurisdiction Act, 1879, and any Act past or future amending those Acts or either of them: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 13.

Ss. 92, 93.

As to enforcing orders of a court of summary jurisdiction, see, for England, the Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49, ss. 21, 39 (3), (4).

Description of offences.

In proceedings before a court of summary jurisdiction the description of the offence in the words of the Act or in similar words is sufficient in law, and any exception, exemption, proviso, excuse or qualification may be proved by the defendant but need not be specified or negatived in the information or complaint: Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 39 (1), (2); but this section does not do away with the necessity of setting out in a conviction facts which are a necessary ingredient of the offence in question: see *Smith* v. *Moody*, (1903) 1 K. B. 56.

Proceedings for the prosecution and recovery of offences and fines will be by information, which need not be in writing or on oath, and may be made by the informant or his authorised agent; the information must be laid within six calendar months from the date of the alleged offence, and in reckoning this period the day on which the offence was committed is excluded, but the day of laying the information is included. The I. A. A., s. 39 (5), extends the time for bringing prosecutions in the case of a collecting society.

Appeals.

93.—(1.) In England or Ireland any person may appeal to quarter sessions from any order or conviction made by a court of summary jurisdiction under this Act.

England and Ireland.

The expression "court of quarter sessions" means the justices of any county, riding, parts, division, or liberty of a county, or of any county of a city or county of a town in general or quarter sessions assembled, and shall include the court of the recorder of a municipal borough having a separate court of quarter sessions: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 13 (14).

The procedure on appeals from the conviction or order of a court of summary jurisdiction to a court of general or quarter sessions is provided for by the Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 31, and may be shortly stated as follows: (1) The appeal must be to the next practicable court of general or quarter sessions holden not less than fifteen days after the decision was given upon which the conviction or order was founded; (2) the appellant must, within seven days of the decision, give notice of appeal by serving on the other party, and on the clerk of the court of summary jurisdiction, notice in writing of the intention to appeal, and the general grounds thereof (*i.e.*,

in an appeal against an order all material facts must be given, but in an appeal against a conviction it is sufficient to allege that the defendant was not guilty of the offence); (3) the appellant must, within three days after giving notice, enter into a recognizance to appear and try such appeal; (4) if the appellant is in custody, the court of summary jurisdiction may release him from custody; (5) the court of appeal may confirm, reverse or modify the decision of the court of summary jurisdiction, or may remit the case with an opinion; and (6) whenever a decision is not confirmed, a memorandum of the decision of the court of appeal is to be endorsed on the conviction or order appealed against, and sent to the clerk of the court of summary jurisdiction. In reckoning the periods of seven days and three days mentioned above, the day on which the decision is given is not reckoned in the first case, nor the day of giving notice in the second.

(2.) In Scotland any person may appeal from any order or conviction under this Act in accordance with the provisions of the Summary Jurisdiction (Scotland) Acts.

Scotland.

By virtue of the Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 13, the provision now applicable to appeals in Scotland are ss. 60—76 of the Summary Jurisdiction (Scotland) Act, 1908 (8 Edw. 7, c. 65).

Legal proceedings

94.—(1.) The trustees of a registered society or branch, or any other officers authorised by the rules thereof, may bring or defend, or cause to be brought or defended, any action or other legal proceeding in any court whatsoever, touching or concerning any property, right, or claim of the society or branch, and may sue and be sued in their proper names, without other description than the title of their office.

(2.) In legal proceedings brought under this Act by a member, or person claiming through a member, a registered society or branch may also be sued in the name, as defendant, of any officer or person who receives contributions or issues policies on behalf of the society or branch within the jurisdiction of the court in which the legal proceeding is brought, with the addition of the

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words " on behalf of the society or branch " (naming the same).

(3.) A legal proceeding shall not abate or be discontinued by the death, resignation, or removal from office of any officer, or by any act of any such officer after the commencement of the proceedings.

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Where a society or branch appoints officers to sue and be sued, other than its trustees, notice of every such appointment shall be given in the same manner as provided for trustees with the necessary modifications to suit the facts: T. R. 69 (see p. 68). The appointment by the rules of an officer to sue does not apparently supersede the title of the trustees under the Act to do so: cf. *General Railway Workers' Union* v. *Macdonald* (1900), 37 Sc. L. R. 721.

arties to tions, &c.

In all legal proceedings by or on behalf of the society, the trustees or other officers (if any) authorised in this behalf, ought to be named as plaintiffs, thus " A. and B., trustees of the —— society," or " C. and D., officers authorised to sue on behalf of the —— society," and likewise in all proceedings against the society the same persons ought to be named as defendants in a similar manner. Sub-s. 2 authorises an alternative method of suing a collecting society against which proceedings would in general be brought in the county court or court of summary jurisdiction for the place where the plaintiff resides: I. A. A., s. 32 (1), but this sub-sect. would appear not to apply to the persons mentioned in the I. A. A., s. 32 (1), other than a member or person claiming, though a member and such persons would have to sue the trustees. It would seem also that notwithstanding this section, it would not be improper to sue the society by its registered name, although the society is not a corporate body: see *Taff Vale Railway* v. *Amalgamated Society of Railway Servants*, (1901) A. C. 426. This form of action would be available if there were either no trustees or any difficulty in ascertaining who they were. The society, if sued in its own name, may appear either in the name of the society, with the addition of the words " registered under the F. S. A., 1896," or the trustees or other officers appointed to be sued may appear, so describing themselves. The appearance cannot be entered in person, for being a *quasi*-corporate body, the society can only appear by a solicitor: Annual Practice, Ord. XII. r. 1, note.

ction ouching a

An action against a society to enforce an agreement made in compromise of proceedings by a member against the society is

an action touching the right of the society, and may be maintained against the trustee or other officer: see *Roberts* v. *Page* (1876), 1 Q. B. D. 476.

right of the society.

Where trustees or other officers are sued on behalf of the society under the provisions of the Act, the real litigant is the society, and the trustees are merely nominal parties, and are not personally liable, so that execution cannot issue against them personally: cf. *Wormwell* v. *Hailstone* (1830), 6 Bing. 668; *Harrison* v. *Timmins* (1838), 4 M. & W. 510. Thus, where damages were recovered against the trustees of a trade union in an action for libel in a paper conducted in the interests of the union, of which the trustees were registered proprietors, they were held entitled to indemnity out of the funds of the union: *Linaker* v. *Pilcher* (1901), 70 L. J. K. B. 396; but this case has been doubted so far as it decides that the trustees could be sued for a libel of which the union was guilty: see *Osborne* v. *Amalgamated Society of Railway Servants*, (1909) 1 Ch. 163, 193; cf. *Blue* v. *Pollock* (1866), 4 Macph. 1042; and in any proceedings against the society the board of management of the society has power to choose the solicitor to conduct the litigation on behalf of the society: *Laskey* v. *Runtz* (1908), 24 T. L. R. 496; but it would seem that the trustees would be entitled to the costs of independent advice if they required it in doing anything personally: cf. *Heinrich* v. *Sutton* (1871), L. R. 6 Ch. 220.

Trustees merely nominal parties.

In actions by or against unregistered societies this section has no application, and the trustees of an unregistered society as such have no status to sue on its behalf: *Jarrott* v. *Ackerley* (1915), 113 L. T. 371; nor could the society be sued in its name: *Bloom* v. *National Federation of Discharged and Demobilised Sailors and Soldiers* (1918), 35 T. L. R. 50; but such a society can sue or be sued in a representative action by persons who fairly and properly represent it. In general, in an action against such a society, it would be sufficient to make defendants the members (or principal members) of the executive committee and the trustees (if any) in whom the property of the society is vested, and an order can be obtained by the plaintiff authorising such defendants to defend the action on behalf of all the members of the society: see *Wood* v. *McCarthy*, (1893) 1 Q. B. 775; *Re Pritt*, (1915) W. N. 134.

Proceedings by and against unregistered societies.

(4.) The summons, writ, process, or other proceeding, to be issued to or against the officer or other person sued on behalf of a registered society or branch, shall be suffi-

S. 94.

ciently served by personally serving that officer or other person, or by leaving a true copy thereof at the registered office of the society or branch, or at any place of business of the society or branch within the jurisdiction of the court in which the proceeding is brought, or, if that office or place of business is closed, by posting the copy on the outer door of that office or place of business.

(5.) In all cases where the said summons, writ, process, or other proceeding is not served by means of such personal service or by leaving a true copy thereof at the registered office of the society or branch as aforesaid, a copy thereof shall be sent in a registered letter addressed to the committee at the registered office of the society or branch, and posted at least six days before any further step is taken on the proceeding.

It has been held by the Court of Appeal that sub-ss. 4 and 5 only apply to proceedings brought under sub-s. 2, and not to those brought under sub-s. 1, so that where there is a suit against the trustees of a registered society or branch or any other officers authorised by the rules to sue or be sued, service on the defendants need not be made in accordance with sub-ss. 4 and 5, but might be made in accordance with the ordinary practice of the Court, whatever that might be. Thus where three trustees of a society had been sued in the county court and only one of them had been properly served, it was held that the matter was covered by the County Courts Act, 1888, s. 97, and that the judge was right in refusing to rescind a judgment in default of appearance which he had given against the three defendants: *Gatehouse* v. *Shaw* (1919), R. C. R. 58.

ervice of rocess.

In proceedings under sub-s. 2, sub-s. 4 provides five ways of serving process on the society, any one of which may be selected according to the circumstances, and will be sufficient, but if service is effected by leaving a copy of the process at the principal place of business (not being the registered office) within the jurisdiction of the Court, or by posting it on the door of the office or principal place of business, sub-s. 5 must be complied with before taking any further step. There must be six clear days between the day of posting the copy and the day on which the further step is taken: cf. *Mercantile Investment and General*

Trust Co. v. *International Co. of Mexico*, (1893) 1 Ch. 484, n., 489, n. Ss. 94—

As to making the Attorney-General a party to the proceedings, see *Anon.* (1745), 3 Atk. 277; *Spiller* v. *Maude* (1881), 32 C. D. 158, n.; and *Pease* v. *Pattinson* (1886), 32 C. D. 154.

(6.) Where proceedings are taken against a society or branch for the recovery of any fine under this Act the summons or other process shall be sufficiently served by leaving a true copy thereof at the registered office of the society or branch, or at any place of business of the society or branch, within the jurisdiction of the court in which the proceeding is brought, or, if that office or place of business is closed, by posting the copy on the outer door of that office or place of business.

(7.) Where the person against whom the proceedings are to be taken is himself a trustee of a society or branch the proceedings may be brought by the other trustees or trustee of the society or branch.

Sub-ss. 6 and 7 were added by the F. S. A., 1908, s. 11. Sub-s. 6 is intended to provide for the service of process by a court of summary jurisdiction to enforce a fine inflicted under s. 91, though it is difficult to see that it provides for anything which is not already provided for by sub-s. 4. Sub-s. 7 meets the difficulty in cases where a trustee is a defendant to proceedings instituted by a society in which technically he ought also to be a nominal plaintiff.

Fees: Forms: Regulations: Evidence.

95. The registrars and high bailiffs of the county courts shall be remunerated for the duties to be performed by them under this Act in such manner as the Treasury, with the consent of the Lord Chancellor, may direct. Remunerat of county court office

96.—(1.) The Treasury may determine a scale of fees to be paid for matters to be transacted or for the inspection of documents under this Act. Fees.

(2.) A fee shall not be payable on the registry of any

S. 96. friendly, benevolent, or cattle insurance society, or working men's club, or of any amendment of the rules thereof.

The following fees shall be payable in advance under the Act:—

	£	s.	d.
For the acknowledgment of registry of a specially authorised society (except as hereinafter provided)	2	0	0
For the acknowledgment of registry of every amendment of the rules of the same (except as hereinafter provided)	1	0	0
For exemption from valuation under s. 28 of the Act, payable by any society the funds of which or of any of the branches of which are annually or periodically divided	2	0	0
For the registry of a special resolution by any society (to include, in the case of a change of name, the approval of the same)	1	0	0
For an order of a registrar dispensing with assents, consents or conditions for amalgamation or transfer of engagements, in addition to the fee prescribed by Regulation 41 p. 164.	5	0	0
For every direction to transfer stock	2	0	0
For the appointment of an inspector, or calling of a special meeting by a registrar	2	0	0
For registry of an instrument of dissolution or alteration therein	1	0	0
For the determination of a registrar on a dispute or for the award of a registrar for dissolution where the matter is settled without a hearing or upon one hearing without adjournment	2	0	0
Where on a dispute or on an application for an award of dissolution more than one hearing is required or where the hearing is adjourned:—			
The same fees as where the matter is settled upon one hearing without adjournment and in addition for every hearing after the first and for every adjournment	2	0	0
For an award or direction of a registrar for the appropriation or division of the funds, property or assets of a society or branch, an additional fee as follows:—			
(a) Where the funds, property, or assets appropriated or divided do not exceed 200*l.*	2	0	0

	£	s.	d.	
(b) Where the funds, property, or assets appropriated or divided exceed 200*l.*:—				
For the first 200*l.*	2	0	0	
For every additional 100*l.* or part of 100*l.*	0	10	0	
Where application is made for an investigation into the affairs of a society or branch with a view to an award of dissolution thereof, upon the ground that the rates of contribution fixed in the rules of such society or branch are insufficient to cover the benefits assured, the chief registrar may, if he think fit, at any time before making his award, require the payment of such further fee as he may deem reasonable not exceeding the scale fixed by Regulation 19, and such fee shall be applied in the manner prescribed by Regulation 20.				p. 74.
For every document (except as otherwise provided) required to be signed by a registrar, or to bear the seal of the central office, not chargeable with any other fee to the registrar	0	5	0	
For every inspection on the same day of documents (whether one or more) in the custody of the registrar relating to one and the same society or branch	0	2	6	
For registering or recording a valuation, annual return or other document where the society has been suspended for default in making the same, a fee equal to the amount paid for advertising the suspension.				
For a copy or extract of any document in the custody of the registrar not exceeding 216 words, 1*s.* 6*d.*; and if exceeding that number, 6*d.* per folio of 72 words (in addition to the fee, if any, for the signature of a registrar, or seal of the central office).				
For a document certified as a true copy of a document in the custody of the registrar, when the copy so certified is not made by the registrar and does not exceed 216 words, 9*d.*; for the examination of such copy and for every additional folio of 72 words 3*d.* (in addition to the fee for the signature of a registrar, or seal of the central office).				

Ss. 96, 97. No fee is payable for:—

The recording of rules or documents already registered in another country or the examination or authentication of copies to be used for recording.

The registry of a specially authorised society or any amendment of the rules of the same, where the society is a society registered under the Special Authority of 16th May, 1876, or of 23rd April, 1903, or registered or to be registered under the Special Authority of 15th August, 1917, and where it has in its rules provisions (a) and (b) of s. 2 of the Societies' Borrowing Powers Act, 1898 (61 & 62 Vict. c. 16).

A cancelling or suspension of registry.

Any notice of change of office, or of the appointment of trustees.

Any notice of the establishment of a branch, or the rules of the same or any amendment thereof.

Any document or copy of a document supplied to a public department.

The chief registrar may dispense with the fee for inspection of documents in cases where he may consider it for the public interest to do so, and may, in exceptional cases, reduce or dispense with the fee for the determination on a dispute or registry of an instrument of dissolution or alteration therein: T. R. 70.

(3.) All fees which may be received by any registrar under or by virtue of this Act shall be paid into the Exchequer.

The assistant registrars for Scotland and Ireland respectively shall keep records of all fees received by them, under the Act or the Treasury regulations, and shall pay such fees, at least twice a year, into the Bank of England, to the cash account of H.M.'s Paymaster-General for the credit of registrars of friendly societies. They shall at the same time send to the chief registrar a list of the fees so paid; and he shall cause the amount thereof to be paid into H.M.'s Exchequer: T. R. 2.

Fees payable to registrar of births and deaths.

97.—(1.) For the purpose of this Act a certificate of the birth or death of any member of or person insured or to be insured with a registered friendly society or branch shall, on application being made as in this Act provided, be given under his hand by the registrar of births or

deaths, for a sum not exceeding one shilling, in place of all fees or payments otherwise payable in respect thereof.

(2.) Whenever application is made at one time to any such registrar for more certificates than one of the same birth or death for the purposes of and in the manner prescribed by this Act, the sum charged for every such certificate other than the first shall not exceed sixpence.

(3.) Whenever the registrar is required by the person applying for any certificate of birth or death to fill up the form of application, he may demand a sum not exceeding threepence for so doing.

(4.) For the purposes of this section the expression "registrar of births or deaths" shall include any person having the care of the register of births or deaths in which the birth or death is entered.

The privilege in this sub-section is confined to a registered friendly society, and does not extend to an unregistered friendly society, or to a benevolent society, whether registered or not. The usual fee is 2*s.* 6*d.*, and a penny stamp on the certificate. The application for a certificate at the reduced rate allowed by this section is made on a special form, on the back of which the certificate is written; if the registrar is required to fill up the form of application, he may charge a fee of threepence for so doing.

Form of certificate.

This section does not prevent the ordinary form of certificate from being used, but only provides that a certificate for the purposes of the Act may be procured at a cheaper rate than usual, and then application is to be made in a particular form. In the case, however, of payments to be made under s. 62, only the special form of certificate allowed by the Act (s. 64) can be used.

Forms.

98.—(1.) The forms to be used for registry shall be those contained in Part I. of the Second Schedule to this Act or such other forms as are prescribed by Treasury regulations.

For Sch. II., Part I., see p. 236; and for the forms prescribed by the regulations, see pp. 502—554.

Ss. 98, 99.

Modification of forms.

All forms annexed to regulations may be modified to suit any limited application of the provisions of the Act, or to suit any particular branches when necessary, or classes of societies or branches, or particular cases, by authority of the chief registrar: T. R. 71. The chief registrar may dispense with the obligation to supply a duplicate of any document, where such obligation is imposed only by the regulations: T. R. 72. Notwithstanding the rescinding of any regulation, a form issued under such regulation may be accepted by a registrar: T. R. 73.

(2.) The acknowledgment of registry of a branch and of any amendment of the rules of a branch shall be in the forms provided in Part II. of the same schedule.

For Sch. II., Part II., see p. 237.

(3.) Every annual or other return, abstract or valuation, and other document required for the purposes of this Act, shall be made in such form and shall contain such particulars as the chief registrar prescribes.

(4.) A receipt under this Act endorsed upon or annexed to a mortgage or other assurance shall be in the form set forth in Part III. of the same schedule, or in any form specified in the rules of the society or branch or any schedule thereto, and a bond to be given by an officer in receipt or charge of money shall be in one of the forms set forth in the said part.

The receipt is that referred to in s. 53, and the bond is that referred to in s. 54. For Sch. II., Part III., see p. 237.

(5.) Applications for certificates of births and deaths under this Act shall be in such form and under such regulations as may be approved of by the registrar-general of births, deaths, and marriages for England, Scotland, and Ireland respectively.

Regulations for carrying out Act.

99.—(1.) The Treasury may make regulations respecting registry and procedure under this Act, and the seal to be used for registry, and the duties and functions of

the registrar, and the inspection of documents kept by the registrar under this Act, and generally for carrying this Act into effect.

(2.) All such regulations shall forthwith be laid before both Houses of Parliament.

The Treasury regulations at present in force are those of January 1st, 1897, which are of a general character; June 15th, 1897, January 1st, 1903, relating to societies desirous of being certified under the Shop Clubs Act, 1902; December 31st, 1906; June 10th, 1921, relating to fees payable for advertisements in the Gazette; July 26th, 1923, being the Friendly Societies (Amendment of Fees) Regulation, 1923.

Construct of regulati

Expressions used in the Treasury regulations are, unless the contrary intention appears, to have the same respective meanings as in the Act: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 31.

Sub-s. 2 is not a condition precedent to the coming into operation of the regulations: cf. *Jones* v. *Robson*, (1901) 1 K. B. 673. If a regulation is expressed to come into operation on a particular day, it would be construed as coming into operation immediately on the expiration of the previous day: Interpretation Act, 1889, s. 36 (2); if no particular day is named, it would seem to come into operation when it was made known to the public generally: cf. *Johnson v. Sargant*, (1918) 1 K. B. 101.

Evidence documents

100. Every document bearing the seal or stamp of the central office shall be received in evidence without further proof; and every document purporting to be signed by the chief or any assistant registrar, or any inspector, or public auditor or valuer under this Act, shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature.

As to the cost of obtaining signed or sealed copies of documents, see note to s. 96.

On the trial of an indictment to enforce a magistrate's order, a recital in the order that the rules of the society had been duly enrolled is not evidence of the enrolment: *R.* v. *Gilkes* (1828), 8 B. & C. 439.

S. 101.

Application of Act.

Application to existing societies.

101.—(1.) This Act shall apply to societies and branches subsisting at the commencement of this Act which or the rules of which have been registered, enrolled, or certified, under any Act relating to friendly societies or cattle insurance societies, as if they had been registered under this Act, and the rules of those societies and branches shall, so far as they are not contrary to any express provision of this Act, continue in force until altered or rescinded.

(2.) Where the contingent annual payments to which the members or the nominees of the members of friendly societies or branches, established before the fifteenth day of August one thousand eight hundred and fifty, may become entitled exceed the limit fixed by this Act, the rules of those societies and branches shall continue to be valid, anything in this Act to the contrary notwithstanding.

This section is similar to 18 & 19 Vict. c. 63, ss. 2, 3, under which it was held that a society which had enrolled rules but not alterations of the same, was a subsisting society under the original rules: *Re Meredith and Whittingham* (1856), 1 C. B. N. S. 216.

The effect of the section is that every society established under the former Acts is a "registered society" under this Act, although its objects may not be within those stated in s. 8; all such societies therefore are, without any re-registration, entitled to the privileges granted and the obligations imposed by this Act, but their rules are valid only to the extent defined by this section. Some old societies thus retained on the register had objects not within those in s. 8; they were chiefly of a quasi-co-operative nature, but only a few now remain, and their annual return is usually made on a special form.

Alteration or rescission.

Alteration or rescission of the rules must be according to the law at present in force, and this section does not impliedly re-enact s. 27 of the F. S. A., 1855, so as to empower societies formed prior to 1850 to alter their rules, when their rules do not contain any such power: *Souter* v. *Davies* (1895), 15 R. 261; but

if the society prior to 1875 introduced into its rules a power of altering them, that power continues to exist notwithstanding the repeal of the F. S. A., 1855: *Smith* v. *Galloway*, (1898) 1 Q. B. 71.

Friendly Societies Discharge Act, 1854.

This section does not affect societies affected by the Friendly Societies Discharge Act, 1854 (17 & 18 Vict. c. 56), which relates to and includes such friendly societies only as grant and effect policies of assurance payable at death exceeding the sum of 1,000*l*., which after the passing of that Act ceased to be friendly societies, or to be affected by any future Acts relating to friendly societies, though still subject to some of the provisions of the previous Acts. In 1914, however, societies of this kind were almost extinct: (1914), R. C. R. 6.

Applicatio Scotland.

102. In the application of this Act to Scotland:—

The expression "land" shall include heritable subjects of whatever description;

The expressions "court of summary jurisdiction" and "county court" shall mean the sheriff court of the county;

The expression "administration" shall mean confirmation;

The expression "misdemeanor" shall mean crime and offence.

The provisions concerning the discharge of mortgages by receipt endorsed (s. 53) do not apply to Scotland. See also the I. A. A., s. 44 (3), as to the application of that Act to Scotland.

Applicatio to the Isle of Man.

103. This Act shall apply to the Isle of Man as if it were part of England, subject to the following variations:—

(1.) The expressions "Supreme Court" and "county court" shall respectively mean the Chancery Division of the High Court of the said isle, in which court the proceedings under this Act may be regulated by rules and orders to be made in that behalf by the court, and, until otherwise provided, shall be regulated according to the ordinary practice of that court;

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(2.) The expression "the Companies Acts, 1862 to 1890," shall mean the law for the time being in force in the said isle for the regulating and winding up of companies;

(3.) The expression "Summary Jurisdiction Acts" shall mean the laws for the time being in force in the said isle for regulating the exercise of summary jurisdiction by justices of the peace;

(4.) All offences and fines under this Act shall be prosecuted and recovered summarily before a high bailiff or two justices of the peace at the suit or instance, except in the case of a complaint under section eighty-seven of this Act, of a registrar or of a head constable, and a misdemeanor under this Act shall be punishable by fine or imprisonment;

(5.) All fines recovered under this Act shall be paid to the treasurer of the said isle, and be added to the general revenue of the said isle;

(6.) A person may appeal from any order or conviction to be made in the case of summary jurisdiction under this Act in the manner prescribed by the law in force in the said isle as to appeals in cases of summary jurisdiction;

(7.) Any sum recoverable summarily as a civil debt shall be recoverable in accordance with the law and procedure in force in the Isle of Man for the recovery of civil debts.

With respect to the Isle of Man, when any sum of money becomes payable on the death of a person entitled to make a nomination, such sum shall, in default of any direction or nomination as contemplated in s. 56, be paid to the deceased member's legal representative, according to the law of the island in which such deceased member was domiciled: s. 105. See also notes to ss. 57 (3) and 59. See also the I. A. A., s. 44 (3), as to the application of that Act to the Isle of Man.

Sub-s. 7 was added by the F. S. A., 1908, s. 12.

Application to Channel Islands.

104. This Act shall apply to the Channel Islands as if they were part of England, subject to the following variations:—

(1.) As respects the Island of Jersey:

(a) The expression "county court" shall mean the court for the recovery of petty debts, in all cases in which the claim or demand shall not exceed the sum of ten pounds sterling, and in all other cases the inferior number of the Royal Court of the said island, composed of the bailiff and two jurats of the said court;

(b) The expression "court of summary jurisdiction" shall have in civil cases the same meaning as the expression county court;

(c) All misdemeanors under this Act shall be prosecuted, tried, and punished in the form and manner prescribed by the law and custom of the said island with respect to crimes and offences (*crimes et délits*);

(d) All other offences and all fines under this Act shall be prosecuted and recovered summarily before the magistrate of the court for the repression of minor offences, in all cases of his competency, at the suit or instance, except in the case of a complaint under section eighty-seven of this Act, of the constable of the parish in which the offence or other unlawful act has been committed, and in all other cases before the bailiff and two jurats of the Royal Court, at the suit or instance (except as aforesaid) of Her Majesty's Procurator General for the said island;

(e) All fines recovered under this Act shall be paid to the officers who by the law and practice of the said island are entitled to receive fines levied by order of the said courts respectively,

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and shall by such officers be accounted for and paid to Her Majesty's Receiver General in the said island on behalf of the Crown;

(f) All proceedings under this Act in any of the courts of the said island shall be regulated according to the ordinary practice of those courts respectively, and all fines shall in default of payment be enforced in the same manner as fines payable to the Crown in the said island;

(g) The rules prescribed by the law of the said island with respect to appeals in civil and criminal cases shall be followed as to appeals from any orders, judgments, or convictions made in cases of summary jurisdiction under this Act;

(h) The expression "the Companies Acts, 1862 to 1890," shall mean the law for the time being in force in the said island for the formation, regulation, and winding up of companies;

(i) All friendly societies and branches within the bailiwick of the said island may invest any part of their funds in any of the public funds under the guarantee of the states of the said island.

(2.) As respects the bailiwick of the island of Guernsey:

(a.) The Court of Primary Instance within the bailiwick shall have all such powers and authorities as are by this Act conferred either on courts of summary jurisdiction or on county courts in England: Provided that a sentence may be appealed from, if the case admits of an appeal under the Orders in Council now in force within the bailiwick, but that the decision of the Royal Court when sitting in a body as a court of appeal shall be final;

(b) All friendly societies and branches within the bailiwick shall be authorised to invest any part of their funds in the state bonds either of Guernsey or of Alderney;

(c) The expression "the Companies Acts, 1862 to 1890," shall mean the law for the time being in force in the said bailiwick for the regulation and winding up of companies;

(d) All offences and fines under this Act shall be prosecuted and recovered summarily before the court of primary jurisdiction at the suit or instance, except in the case of a complaint under section eighty-seven of this Act, of the law officers of the Crown or of a constable of a parish;

(e) All fines recovered under this Act shall be paid to the Receiver General, to be by him carried to the account of the Crown revenue.

The provisions concerning the discharge of mortgages by receipt endorsed (s. 53) do not apply to Jersey.

As respects the Channel Islands, when a sum of money becomes payable on the death of a person entitled to make a nomination, such sum shall, in default of any direction or nomination under s. 56, be paid to the deceased member's legal representative, according to the law of the island in which such deceased member was domiciled: s. 105. See also notes to ss. 57 (3) and 59. See also the I. A. A., s. 44 (3), as to the application of that Act to the Channel Islands.

The powers of investment in sub-s. 1 (i) and in sub-s. 2 (b) are in addition to the powers of investment contained in s. 44.

Payment to representatives in Channel Islands and Isle of Man.

105. As respects the Channel Islands and the Isle of Man, when any sum of money becomes payable on the death of a person entitled to make a nomination under this Act that sum shall, in default of any such nomination, be paid to the deceased member's legal representative, according to the law of the island in which that deceased member was domiciled.

This section varies to some extent the provision in s. 58, and

Ss. 105, 106. in the cases to which it applies excludes the discretion given to the trustees of a society by that section; the application of this section appears to depend upon the domicil of the deceased member, and to have nothing to do with the situation of the registered office or other place of business of the society.

Supplemental.

Definitions. **106.** In this Act, unless a contrary intention appears:

The expression "the registrar" shall mean for England the central office, and for Scotland or Ireland the assistant registrar for Scotland or Ireland;

The expression "land" shall include any interest in land;

"Land" in every Act passed after 1850, unless the contrary intention appears, includes messuages, tenements and hereditaments, houses and buildings of any tenure: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 3.

The expression "property" shall extend to all property whether real or personal (including books and papers);

The expression "registered society" shall mean a society registered under this Act, and shall include societies subsisting at the commencement of this Act to which the provisions of this Act apply;

"Registered society": see ss. 8 and 101.

The expression "amendment of rule" shall include a new rule, and a resolution rescinding a rule;

As to the distinction between a partial and complete amendment of rules, see p. 52.

The expression "branch" shall mean any number of the members of a society, under the control of a central body, having a separate fund, administered by themselves or by a committee or officers ap-

pointed by themselves, and bound to contribute to a fund under the control of a central body;

The expression "committee" shall mean the committee of management or other directing body of a society or branch;

The expression "persons claiming through a member" shall include the nominees of the member where nomination is allowed;

The expression "officer" shall include any trustee, treasurer, secretary, or member of the committee of management of a society or branch, or person appointed by the society or branch to sue and be sued on its behalf;

A solicitor employed as such by a society and remunerated in the usual way by payment of the ordinary costs and charges to which he was entitled, would not be an officer of the society: see *Carter's Case* (1886), 31 C. D. 496; *Re Carpenter and Bristol Corporation,* (1907) 2 K. B. 617; cf. *Re Harper's Ticket Issuing and Recording Machine,* (1912) W. N. 263; but it might be otherwise if he were appointed to do all the work the society had for him at a fixed salary: see *Re Liberator Permanent Benefit Building Society* (1894), 71 L. T. 406.

As to auditors, see s. 26, p. 70.

The expression "meeting" shall include (where the rules of a society or branch so allow) a meeting of delegates appointed by members;

A meeting of delegates is not competent to pass a resolution for the purposes of s. 71 (1): *Wilkinson* v. *City of Glasgow Friendly Society,* (1911) S. C. 476.

The expression "Gazette" shall mean the London Gazette for England, the Edinburgh Gazette for Scotland, and the Dublin Gazette for Ireland;

The expression "Treasury regulations" shall mean any regulations made and approved by the Treasury and in force under this Act;

Ss. 106—108.

The expression "signed" in relation to a body corporate shall mean sealed.

This last definition was added by the F. S. A., 1908, s. 13. The expression "signed" does not occur in the Act in relation to a body corporate, but the definition was added to get over the difficulty in connection with the Treasury regulations relating to shop clubs and the schemes established under private Acts; under these regulations certain of the forms which have to be sent to the registrars are required to be signed by the employer, who is frequently a body corporate.

The expressions defined in this section have the same meanings in the I. A. A.: see p. 351.

Singular includes plural, &c.

In Acts of Parliament passed after 1850, unless the contrary intention appears, masculine includes feminine, singular includes plural, and plural includes singular, and month means calendar month: Interpretation Act, 1889 (52 & 53 Vict. c. 63), ss. 1, 3.

In an interpretation clause, the word "means" limits the interpretation to that which is expressed in the clause, see *R.* v. *Kershaw* (1856), 6 E. & B. 999, 1007; whilst the words "shall include" signify "shall have the following meanings in addition to the popular meaning": per Brett, M. R., *Portsmouth Corporation* v. *Smith* (1883), 13 Q. B. D. 184, 195; cf. *Robinson* v. *Local Board of Barton-Eccles* (1883), 8 A. C. 798, 801.

Repeal.

107. *The Acts mentioned in the Third Schedule to this Act are hereby repealed to the extent mentioned in the third column of that schedule.*

The C. S. A., s. 18, repealed the Acts relating to friendly societies mentioned in the schedule to this Act so far as they were not repealed by this Act.

This section was repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

Commencement and extent of Act.

108. This Act *shall come into operation on the first day of January next after the passing thereof and* shall extend to the whole of the British Islands.

The expression "British Islands" means the United Kingdom, the Channel Islands, and the Isle of Man: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 18 (1). Where an Act is expressed to come into operation on a particular day, the same shall

be construed as coming into operation immediately on the expiration of the previous day: *Ib.* s. 36. Ss. 108, 1

The words in italics were repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

109. This Act may be cited as the Friendly Societies Act, 1896. Short title

See the F. S. A., 1908, s. 14.

SCHEDULES.

THE FIRST SCHEDULE. Sect. 9 (3

MATTERS TO BE PROVIDED FOR BY THE RULES OF SOCIETIES REGISTERED UNDER THIS ACT.

1. The name and place of office of the society.

2. The whole of the objects for which the society is to be established, the purposes for which the funds thereof shall be applicable, the terms of admission of members, the conditions under which any member may become entitled to any benefit assured thereby, and the fines and forfeitures to be imposed on any member, and the consequences of non-payment of any subscription or fine.

3. The mode of holding meetings and right of voting, and the manner of making, altering, or rescinding rules.

4. The appointment and removal of a committee of management (by whatever name), of a treasurer and other officers, and of trustees, and in the case of a society with branches, the composition and powers of the central body, and the conditions under which a branch may secede from the society.

5. The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.

6. Annual returns to the registrar of the receipts, funds, effects, and expenditure, and numbers of members of the society.

7. The inspection of the books of the society by every person having an interest in the funds of the society.

8. The manner in which disputes shall be settled.

9. In case of dividing societies, a provision for meeting all claims upon the society existing at the time of division before any such division takes place.

Schs. I., II.

And also in the case of friendly and cattle insurance societies:—

10. The keeping separate accounts of all moneys received or paid on account of every particular fund or benefit assured for which a separate table of contributions payable shall have been adopted, and the keeping separate account of the expenses of management, and of all contributions on account thereof.

11. (Except as to cattle insurance societies) a valuation once at least in every five years of the assets and liabilities of the society, including the estimated risks and contributions.

12. The voluntary dissolution of the society by consent in a friendly society of not less than five-sixths in value of the members, and of every person for the time being entitled to any benefit from the funds of the society, unless his claim be first satisfied or adequately provided for; and in a cattle insurance society by consent of three-fourths in number of the members.

13. The right of one-fifth of the total number of members, or of one hundred members in the case of a society of one thousand members and not exceeding ten thousand, or of five hundred members in the case of a society of more than ten thousand members, to apply to the chief registrar, or in case of societies registered and doing business exclusively in Scotland or Ireland to the assistant registrar for Scotland or Ireland, for an investigation of the affairs of the society, or for winding up the same.

Sect. 98.

THE SECOND SCHEDULE.

FORMS.

PART I.

ACKNOWLEDGMENT OF REGISTRY OF SOCIETY.

The Society is registered as a [*friendly society, cattle insurance society, benevolent society, working men's club,* or *specially authorised society*] under the Friendly Societies Act, 1896, this day of

[*Seal or stamp of central office,* or *signature of Assistant Registrar for Scotland or Ireland.*]

ACKNOWLEDGMENT OF REGISTRY OF AMENDMENT OF RULES.

The foregoing amendment of the rules of the Society is registered under the Friendly Societies Act, 1896, this day of

[*Seal or stamp of central office,* or *signature of Assistant Registrar for Scotland or Ireland.*]

PART II.

ACKNOWLEDGMENT OF REGISTRY OF BRANCH.

The is registered as a branch of the Society [and of the branch of the same] under the Friendly Societies Act, 1896, this day of

[*Seal of central office*, or *signature of Assistant Registrar for Scotland or Ireland.*]

ACKNOWLEDGMENT OF REGISTRY OF AMENDMENT OF BRANCH RULES.

The foregoing amendment of the branch rules of the is registered under the Friendly Societies Act, 1896, this day of

[*Seal of central office*, or *signature of Assistant Registrar for Scotland or Ireland.*]

PART III.

FORM OF BOND.

(1).—In England or Ireland.

Know all men by these presents, that we, *A. B.* of , one of the officers of the Society [*or* of the branch of the Society] having its registered office at , in the county of , and *C. D.* of (as surety on behalf of the said *A. B.*), are jointly and severally held and firmly bound to *E. F.* of , *G. H.* of , and *I. K.* of , the trustees of the said society [*or* branch], in the sum of to be paid to the said *E. F.*, *G. H.*, and *I. K.*, as such trustees or their successors, trustees for the time being, or their certain attorney; for which payment well and truly to be made we jointly and severally bind ourselves, and each of us by himself our and each of our heirs, executors, and administrators, firmly by these presents. Sealed with our seals. Dated the day of , in the year of our Lord

Whereas the above-bounden *A. B.* has been duly appointed to the office of of the Society [*or* of branch of the Society] having its registered office situate as aforesaid, and he, together with the above-bounden *C. D.* as his surety, have entered into the above-written bond, subject to the condition herein-after contained: Now therefore the condition of the above-written bond is such, that if the said *A. B.* do render a just and true account of all moneys received and paid by him on

Sch. II.

account of the said society [*or* branch], at such times as the rules thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said society [*or* branch] in his hands or custody to such person or persons as the said society [*or* branch], or the trustees or committee of management thereof, shall appoint, according to the rules of the said society [*or* branch], together with the proper and legal receipts or vouchers for such payments, then the above-written bond shall be void, otherwise shall remain in full force.

Sealed and delivered in the presence of

[*two witnesses.*]

(2).—In Scotland.

I, *A. B.* of , hereby bind and oblige myself, to the extent of £ at most, as caution and surety for *C. D.*, a person employed by the Society [*or* the branch of the Society], that he, the said *C. D.*, shall on demand faithfully and truly account for all moneys received and paid to him for behoof of the said society [*or* branch], and also assign and transfer or deliver all property (including books and papers) belonging to the said society [*or* branch] in his hands or custody, and that to such person or persons as the said society [*or* branch], or the trustees thereof shall appoint, according to the rules of the said society [*or* branch].

Dated at this day of

Signature of Cautioner.

E. F. of witness.

G. H. of witness.

The above bond shall not require a testing clause or subscription clause, and may be wholly printed, or partly written and partly printed.

FORM OF RECEIPT TO BE ENDORSED ON MORTGAGE OR FURTHER CHARGE.

In England or Ireland.

The trustees of the Society [*or* the branch of the Society] hereby acknowledge to have received all moneys intended to be secured by the within [*or* above] written deed.

Signed [*Signatures of Trustees*]

Trustees.

Countersigned [*Signature of Secretary*]

Secretary.

THE THIRD SCHEDULE.

Session and Chapter.	*Title or Short Title.*	*Extent of Repeal.*
38 & 39 Vict. c. 60.	*The Friendly Societies Act, 1875.*	*The whole Act, except so far as it relates to societies to which section thirty applies and to industrial assurance companies.*
46 & 47 Vict. c. 47.	*The Provident Nominations and Small Intestacies Act, 1883.*	*So much as relates to registered societies.*
50 & 51 Vict. c. 56.	*The Friendly Societies Act, 1887.*	*The whole Act, except in section two so much as relates to section thirty of the Friendly Societies Act, 1875, and sub-section two of section eight, sub-section four of section nine, and sections twelve and eighteen.*
51 & 52 Vict. c. 15.	*The National Debt (Supplemental) Act, 1888.*	*Section six.*
56 & 57 Vict. c. 30.	*The Friendly Societies Act, 1893.*	*The whole Act.*
58 & 59 Vict. c. 26.	*The Friendly Societies Act, 1895.*	*The whole Act, except sections fifteen and nineteen.*

This schedule was repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

THE DIVIDED PARISHES AND POOR LAW AMENDMENT ACT, 1876.

39 & 40 Vict. c. 61.

[15th August, 1876.]

S. 23. * * * * *

Trustees may pay cost of pauper's relief out of annuity payable to such pauper.

23. Where any pauper shall be entitled to any annuity or periodical payment, the trustee or other person bound to make payment of the same to the pauper may from time to time pay to the board of guardians of any union or parish, out of the instalments which have become due, the cost incurred in the relief of such pauper accrued since the last instalment, and such payment shall be a legal discharge to such trustee or other person for so much money as shall have been so paid.

Where the guardians incur any expenses in the relief of a pauper lunatic, being a member of a benefit or friendly society, and as such entitled to receive any payment, they may recover from him, as a debt, or from his executors, administrators, or assigns in case of his death, the sum so expended by them as aforesaid, and the managing body of such society, after notice from the clerk to the guardians, served previously to the money being paid over, shall be required to pay the same to such guardians, and shall be exonerated on payment thereof from any further liability.

Where any trustee, manager, or other person shall decline to make any payment, the guardians may apply to the justices in petty sessions assembled, and such justices may, if satisfied that it is right under all the

circumstances to do so, make an order upon him to pay the requisite amounts then due to the guardians at once and to pay from time to time in future as the liability in respect of the relief arises thereafter.

Provided that this clause shall not have effect unless and until the guardians or their relieving officer shall have declared the relief to be given on loan, nor in respect of any relief granted contrary to the rules and orders made under the authority of the statutes in that behalf.

* * * * *

This section does not apply to moneys to which a pauper or pauper lunatic, as a member of a friendly or benefit society, is entitled if he has a wife or other relative dependent on him for maintenance: the Poor Law Amendment Act, 1879 (42 Vict. c. 12), s. 1 (*post*, p. 243). Even if he has no such wife or relative, the guardians cannot claim recoupment of the expenses incurred in his relief unless (i) the relief has been duly given in accordance with statute; and (ii) the guardians or their officer have declared the relief to be given on loan; and (iii) notice of that declaration has been duly given to the society within thirty days thereof. *Ib.*

Societies within the section.

The guardians can recover payment against a friendly or benefit society, whether it is registered or not: *Merthyr Tydvil Guardians* v. *Cambrian Lodge* (1881), 45 J. P. 220; but the section does not apply to a trade union: *Winder* v. *Governors and Guardians of Kingston-upon-Hull Corporation for the Poor* (1888), 20 Q. B. D. 412; *Islington Guardians* v. *Amalgamated Society of Engineers* (1902), 66 J. P. 665; or in the opinion of a county court judge to an industrial and provident society: *Gloucester Union* v. *Gloucester Industrial and Co-operative Society* (1905), 119 L. T. J. 250; but in this last case the point was not raised in the appeals to the K. B. D. and C. A.: see (1907), 96 L. T. 168.

Guardians claim excluded.

The guardians cannot claim payment from a society whose rules provide that when a member becomes an inmate of a workhouse or lunatic asylum the benefit payable to him shall cease, as that is an enforceable contract between the member and the society: *Caistor Union v. Cleaver* (1891), 56 J. P. 503; nor after the death of a member against his nominee where the member has made a nomination which was subsisting at the time when he first became chargeable to the union, and was unrevoked at his

S. 23.

death, as the money does not belong to the member or form part of his estate: *Cardiff Union* v. *Banks* (1908), 72 J. P. 319.

Where the member's right to receive payment was disputed by the society whose rules provided for the determination of disputes by arbitration, the justices had no power to hear and determine the application of the guardians for payment until the members right to payment had been determined according to the rules: *R.* v. *Richardson*, (1894) 2 Q. B. 323.

If the justices make an order against a society which is invalid, or made without jurisdiction, nevertheless they are bound to enforce it on the application of the guardians, and issue a distress warrant if the society has not appealed or applied to quash the order: *R.* v. *Justices of Swindon* (1878), 42 J. P. 407.

In one case the trustees of a society were indicted for refusing to obey an order of justices under this Act: *R.* v. *Joyce* (1884), 48 J. P. 471.

THE POOR LAW AMENDMENT ACT, 1879.

42 Vict. c. 12.

An Act to amend the Divided Parishes and Poor Law Amendment Act, 1876. [23rd May, 1879.]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

S. 1.

The provision of s. 23 of 39 & 40 Vict c. 61, not to apply to moneys to which a pauper or pauper lunat may be entitled as a member of friendly or benefit society.

1. The provisions contained in the twenty-third section of the Divided Parishes and Poor Law Amendment Act, 1876, shall not apply to any moneys which a pauper or pauper lunatic having a wife or other relative dependent upon him for maintenance may be entitled to receive as a member of any friendly or benefit society, but such moneys shall, subject to any deductions for keeping up his membership required by the rules of such society, or any branch thereof, from which such pauper or pauper lunatic is entitled to receive such moneys, be paid or applied by the trustees, committee, or other officers of such society or branch to or for the maintenance of such wife or relative; and where a pauper or pauper lunatic having no wife or relative dependent upon him is entitled to any such moneys, no claim shall be made under the said Act by the guardians of any union or parish upon any such society of which he is a member, or against any branch thereof, for the expenses incurred in his relief, unless and until the guardians or their relieving officer shall have declared the relief to be given on loan, and shall have,

Ss 1, 2.

within thirty days thereof, notified the same in writing to the secretary or trustees of the society or branch of which the pauper or pauper lunatic is a member, and as such entitled to receive any payment.

Short title.

2. This Act may be cited as the Poor Law Amendment Act, 1879.

Relative dependent.

By the Poor Relief Act, 1601 (43 Eliz. c. 2), s. 7, a man or woman is bound to maintain parents, children, and grandchildren being poor, old, blind, lame and impotent and not able to work. A man must maintain his wife: Poor Law Amendment Act, 1868 (31 & 32 Vict. c. 122), s. 33. A married woman having separate property is liable to maintain her husband, children and grandchildren (Married Women's Property Act, 1882 (45 & 46 Vict. c. 75), ss. 20, 21), and her parents: Married Women's Property Act, 1908 (8 Edw. 7, c. 27). It would seem that the words "other relative" ought to be confined to relations which the pauper is legally bound to maintain, but this is not clear.

THE POOR LAW LOANS AND RELIEF (SCOTLAND) ACT, 1886.

49 & 50 Vict. c. 51.

[25th June, 1886.]

* * * * *

S. 4.

Parochial board to ha no recourse against moneys to which a pauper or pauper luna may be entitled as a member of friendly or benefit society.

4. Any power exercised or claimed by parochial boards to take possession of any property of any one to whom they have given relief shall not apply to any moneys which a pauper or pauper lunatic, having a wife or other relative dependent upon him for maintenance, may be entitled to receive as a member of any friendly or benefit society, but such moneys shall, subject to any deductions for keeping up his membership required by the rules of such society, or any branch thereof, from which such pauper or pauper lunatic is entitled to receive such moneys, be paid or applied by the trustees, committee, or other officers of such society or branch to or for the maintenance of such wife or relative.

* * * * *

See note on p. 244.

THE OUTDOOR RELIEF FRIENDLY SOCIETIES ACT, 1894.

57 & 58 Vict. c. 25.

An Act to empower Boards of Guardians to grant Relief to Members of Friendly Societies in Receipt of any Allowances from the same. [20th July, 1894.]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Ss. 1—3.

Outdoor relief to members of friendly societies.

4 & 5 Will. 4, c. 76.

1. Notwithstanding any orders or regulations of the Poor Law Commissioners or the Local Government Board under and by virtue of the Poor Law Amendment Act, 1834, or of any Act amending the said Act, it shall be lawful for any board of guardians, if they think fit, to grant relief out of the poor rates to any person otherwise entitled to such relief, notwithstanding that the said person shall, by reason of his membership of a friendly society, be in receipt of any sum, and that in estimating the amount of the relief that shall be granted to such person being a member of a friendly society as aforesaid, it shall be at the discretion of the board of guardians whether they will or will not take into consideration the amount which may be received by him from such friendly society.

Extent of Act.

2. This Act shall not extend to Scotland or Ireland.

Short title.

3. This Act may be cited as the Outdoor Relief Friendly Societies Act, 1894.

This Act expressly authorises a board of guardians at discretion to grant relief to a person although in the receipt of benefits from a friendly society, a discretion which previously to the Act some boards had exercised without any express authority.

The discretion of the guardians is limited by the Outdoor Relief (Friendly Societies) Act, 1904 (4 Edw. 7, c. 32), see *post*, p. 255.

THE SOCIETIES' BORROWING POWERS ACT, 1898.

61 & 62 Vict. c. 15.

An Act to empower certain Societies to borrow Money from Persons and Corporations other than Members.

[25th July, 1898.]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Ss. 1—

Provision borrowing

1. A society may by rule provide that it may receive deposits and borrow money at interest from its members, or from other persons, and upon the registry of such rule the same shall be valid.

Interpreta tion.

59 & 60 V c. 25.

2. The expression "society" in this Act means a specially authorised society registered, or seeking registration, under the Friendly Societies Act, 1896, having for its object the creation of funds to be lent out to the members of the society or for their benefit, and having in its rules provisions—

(a) that no part of its funds shall be divided by way of profit, bonus, dividend, or otherwise among its members;

(b) that all money lent to members shall be applied to such purpose as the society or its committee of management may approve.

Short title.

3. This Act shall be cited for all purposes as the Societies' Borrowing Powers Act, 1898.

This statute applies only to a number of the societies registered under the special authority No. 1 (p. 28). The circumstances which led to the passing of the Act are these. The

S. 3.

Congested Districts (Ireland) Board had passed resolutions to advance funds to certain agricultural banks, which had been founded under the auspices of the Agricultural Organisation Society, when it was pointed out by the assistant registrar for Ireland that a society registered under the special authority No. 1 was not allowed to receive deposits from persons other than members. This Act is confined to meeting this difficulty: (1898), R. C. R. 3.

Any society coming within s. 2 may amend its rules by providing for deposits by and borrowing of money at interest from members and other persons.

THE SHOP CLUBS ACT, 1902.

2 Edw. 7, c. 21.

An Act to prohibit compulsory Membership of Unregistered Shop Clubs or Thrift Funds, and to regulate such as are duly registered. [8th August, 1902.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Ss. 1, 2.

Membership of friendly society, &c. not to be condition of employment.

1. It shall be an offence under this Act if an employer shall make it a condition of employment—

(a) That any workman shall discontinue his membership of any friendly society; or

(b) That any workman shall not become a member of any friendly society other than the shop club or thrift fund.

The Act nowhere defines "workman." It must therefore, it is submitted, have its ordinary meaning limited only, if at all, by the definition of "shop club" or "thrift fund" in s. 7, when used in connection with those expressions or either of them. The offence created by this section can be committed whether a certified shop club is in existence or not in connection with the employer's business. The penalty for the offence is prescribed in s. 4. Notwithstanding that the section, read grammatically, refers only to the commencement of employment, it would seem that the making it a condition of continued employment to do either of the two things mentioned in this section would be an offence: per Kekewich, J., *Balchin* v. *Lord Ebury* (1903), 20 T. L. R. 60.

Employer not to require workman to join shop club, &c.

2. It shall be an offence under this Act if an employer shall make it a condition of employment that any workman shall join a shop club or thrift fund, unless the shop

S. 2. club or thrift fund is registered under the Friendly Societies Act, 1896, subject to the provisions of this Act, and certified under this Act by the Registrar of Friendly Societies.

59 & 60 Vict. c. 25.

No shop club or thrift fund shall be so certified unless the Registrar of Friendly Societies is satisfied:—

(a) That the shop club or thrift fund is one that affords to the workman benefits of a substantial kind in the form of contributions or benefits at the cost of the employer in addition to those provided by the contributions of the workman.

(b) That the shop club or thrift fund is of a permanent character, and is not a society that annually or periodically divides its funds, and that no member of such shop club or thrift fund shall, except in accordance with the provisions of section six of this Act, be required to cease his membership in such shop club or thrift fund upon leaving the firm with which such club or fund is connected.

Before so certifying any shop club or thrift fund, the Registrar shall take steps to ascertain the views of the workmen, and shall be satisfied that at least seventy-five per cent. of the workmen desire the establishment of such shop club or thrift fund, and further shall consider any objections that they may make to the certification.

This section modifies the Friendly Societies Act, 1896, to the extent of permitting the registration under that Act of societies membership wherein is a condition of the employment of the members (see note to F. S. A., s. 8, p. 21), and such a society, though registered under that Act, must be certified under this Act. As a condition precedent to so certifying the registrar must be satisfied concerning the matters mentioned in clauses (a) and (b), and that the workmen, their views having been ascertained by him, desire the establishment of the society; the registrar must also consider any objections to certification. Perhaps the last sentence relates only to societies already estab-

lished, but the whole section is obscure in its meaning and application. Ss. 2—

Only a few societies have been certified under this Act, and as several so certified have ceased to exist, the Act appears to have failed in its object.

3. The regulations contained in the schedule of this Act shall apply to any shop club or thrift fund certified under this Act. Regulation

The regulations in the schedule are (with some omissions) the same as those required to be made in the rules of a friendly society by the F. S. A., s. 9 (3), so that as every certified shop club has to be registered under the F. S. A. (s. 2, *supra*), this enactment is superfluous, and might give rise to questions concerning the omissions.

4. Every person who commits an offence within the meaning of this Act shall be liable on summary conviction to a fine not exceeding five pounds, and, in the case of a second or subsequent conviction within one year of a previous conviction, to a fine not exceeding twenty pounds: Penalty.

Provided that, where an offence is committed in respect of several persons at the same time, the offender shall not be convicted of more than one offence.

5. Nothing in this Act shall prohibit compulsory membership of any superannuation fund, insurance, or other society, already existing for the benefit of the persons employed by any railway company, to the funds of which such company contributes. Exemption railways.

6. In any case where a workman, by the conditions of his employment, is a member of a shop club, he shall, upon his dismissal from, or upon leaving, his employment, unless contrary to the rules of the club, have the option of remaining a member or of having returned to him the amount of his share of the funds of the club, to be ascer- Compensat to workma ceasing to member of shop club.

Ss. 6, 7. tained by actuarial calculation: Provided that every such member who shall exercise the option to remain a member of the club shall not, so long as he remains out of such employment, be entitled to take any part in the management of the club, or to vote in respect thereof.

Although the Act distinguishes between a "shop club" and a "thrift fund," it does not anywhere appear what is the difference between them, and though elsewhere in the Act the two are mentioned together, this section refers to a shop club only, and presumably has no application to a thrift fund. In the case of shop clubs also the effect of the section can be readily excluded by a declaration to the contrary in the rules.

The rules referred to in this section do not necessarily mean only rules which have been certified by the registrar, but include rules of a society existing at the commencement of the Act, and since continued. A society wherein the membership was compulsory by rule, provided that a member being dismissed from or leaving the employer's service should have no claim on the funds, subsequently to the passing of the Act the rule of service making membership compulsory was revoked by the employer, and the majority of the workmen signed an agreement voluntarily continuing their membership of the society; the plaintiff, who had not signed any such agreement, and left the employment subsequently to the Act coming into operation, was precluded by the rule from claiming any share in the funds of the society: *Balchin* v. *Lord Ebury* (1903), 20 T. L. R. 60.

Definitions. **7.** In this Act—

The term "friendly society" means a friendly society registered under the Friendly Societies Act, 1896, and includes a registered branch, and in application to Scotland and Ireland the word "registrar" means the registrar as defined in that Act:

The expression "shop club" or "thrift fund" means every club and society for providing benefits to workmen in connection with a workshop, factory, dock, shop, or warehouse.

Having regard to s. 2, the definition of "registrar" appears unnecessary.

The second definition would appear to treat the expressions "shop club" and "thrift fund" as synonymous. It will be observed that mines or tramways are not included in the definition, and it is submitted the Act would not apply to the provident funds in connection with the employés of municipalities and kindred bodies, and there are probably other provident societies limited to the servants of one employer which would not come within the definition. Ss. 7—

8. This Act shall come into operation on the first day of January one thousand nine hundred and three. Date of Ac

9. This Act may be cited as the Shop Clubs Act, 1902.

SCHEDULE. Section 3.

REGULATIONS AS TO CERTIFICATION UNDER THIS ACT.

The rules of a shop club or thrift fund (herein-after termed "the society") shall provide for the following matters:—

i. The name and place of office of the society.

ii. The whole of the objects for which the society is to be established, the purposes for which the funds thereof shall be applicable, the terms of admission of members, the conditions under which any member may become entitled to any benefit assured thereby, and the fines and forfeitures to be imposed on any member, and the consequences of non-payment of any subscription or fine.

iii. The mode of holding meetings and right of voting, and the manner of making, altering, and rescinding rules.

iv. The appointment and removal of a committee of management (by whatever name), of a treasurer and other officers, and of trustees.

v. The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.

vi. Annual returns to the registrar of the receipts, funds, effects, and expenditure, and numbers of members of the society.

Sch.

vii. The inspection of the books of the society by every person having an interest in the funds of the society.

viii. The manner in which disputes shall be settled.

ix. The keeping separate accounts of all moneys received or paid on account of every particular fund or benefit assured for which a separate table of contributions payable shall have been adopted, and the keeping separate account of the expenses of management, and of all contributions on account thereof.

x. A valuation once at least in every five years of the assets and liabilities of the society, including the estimated risks and contributions.

xi. The voluntary dissolution of the society by consent of not less than five-sixths in value of the persons contributing to the funds of the society, and of every person for the time being entitled to any benefit from the funds of the society, unless his claim be first satisfied or adequately provided for.

xii. The right of one-fifth of the total number of members, or of one hundred members in the case of a society of one thousand members and not exceeding ten thousand, or of five hundred members in the case of a society of more than ten thousand members, to apply to the chief registrar, or, in any case of societies registered and doing business exclusively in Scotland or Ireland, to the assistant registrar for Scotland or Ireland, for an investigation of the affairs of the society, or for winding up the same.

THE OUTDOOR RELIEF (FRIENDLY SOCIETIES) ACT, 1904.

4 EDW. 7, c. 32.

An Act to amend the Outdoor Relief (Friendly Societies) Act, 1894. [15th August, 1904.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Ss. 1, 2.

Limitation of discretion of boards of guardians in granting out door relief.

57 & 58 Vict. c. 25.

1.—(1) The discretion given by section one of the Outdoor Relief (Friendly Societies) Act, 1894, to the boards of guardians to take or not to take into consideration the amount received by a member of a friendly society when granting outdoor relief shall be limited as herein-after provided.

(2) In granting outdoor relief to a member of any friendly society, the board of guardians shall not take into consideration any sum received from such friendly society as sick pay, except in so far as such sum shall exceed five shillings a week.

Short title.

2. This Act may be cited as the Outdoor Relief (Friendly Societies) Act, 1904.

THE FRIENDLY SOCIETIES ACT, 1908.

8 Edw. 7, c. 32.

An Act to amend the Friendly Societies Act, 1896.

[1st August, 1908.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Ss. 1—3.

Amendment of s. 8 of principal Act as to societies which may be registered. 59 & 60 Vict. c. 25.

1. To the descriptions of societies which may be registered as friendly societies, contained in subsection (1) of section eight of the Friendly Societies Act, 1896 (hereinafter referred to as the principal Act), the following paragraph shall be added after paragraph (*e*):—

[See F. S. A., s. 8 (1), para. (f), p. 20.]

Membership of minors under the age of one year.

2.—(1) A person of or under one year of age may be admitted as a member of a registered society or branch, and accordingly in section thirty-six of the principal Act (which relates to the membership of minors) the words "but above one year of age" shall be repealed.

(2) Where the rules of a registered friendly society or branch, in force at the commencement of this Act, provide for the admission as members of persons from the minimum age authorised by the principal Act, the rules shall be construed as providing for the admission as members of persons from birth.

Limitation of benefits.

3. In section forty-one of the principal Act "three hundred pounds" shall be substituted for "two hundred

pounds," and "fifty-two pounds" for "fifty pounds," as the maximum amount a member or person claiming through a member of a registered friendly society or branch is entitled to receive by way of gross sum and by way of annuity respectively. Ss. 3-

4. In subsection (1) of section forty-four of the principal Act (which relates to the manner in which the funds of registered societies and branches may be invested) the following paragraph shall be added after paragraph (*e*):— Powers t invest fu in trust securities

[See F. S. A., s. 44 (1), para. (f), *ante*, p. 96.]

5. The following subsection shall be added to section fifty-six of the principal Act (which relates to the power of members to dispose by nomination of sums payable on death):— Nominat by memb of branch

(6) [See p. 129.]

6. In section sixty-eight of the principal Act (which relates to the decision of disputes) the words "for not more than six months" shall be repealed in paragraph (*b*) of subsection (1), and at the end of the section the following new subsection shall be added:— Disputes

(8) [See p. 159.]

7. In subsection (4) of section seventy-six of the principal Act (which relates to the expenses of inspections and special meetings) after the word "incidental" there shall be inserted the words "or preliminary." Prelimin expenses investiga tions, &c.

8. In section eighty of the principal Act, "one month" shall be substituted for "two months," as the length of notice to be given to a registered society or branch whose affairs are to be investigated upon an application for dissolution under that section. Notice of investigat with a vi to dissolu

Ss. 9—14.

Misapplication of property.

9. To subsection (3) of section eighty-seven of the principal Act (which relates to the punishment of fraud, false declaration and misappropriations) the following proviso shall be added:—

[See F. S. A., s. 87 (3), "Provided that . . . . jurisdiction," p. 206.]

Recovery of costs and expenses.

10. To section ninety-one of the principal Act (which relates to the recovery of fines) the following subsection shall be added:—

[See F. S. A., s. 9 (3), p. 213.]

Legal proceedings.

11. At the end of section ninety-four of the principal Act (which relates to legal proceedings) the following subsections shall be added:—

[See F. S. A., s. 94, sub-ss. (6) and (7), p. 219.]

Application to the Isle of Man.

12. At the end of section one hundred and three of the principal Act the following paragraph shall be added:—

[See F. S. A., s. 103 (7), p. 228.]

Definition of "signed."

13. At the end of section one hundred and six of the principal Act (which contains definitions) the following definition shall be added:—

[See p. 234.]

Short title, construction, commencement, and printing.

14.—(1) This Act may be cited as the Friendly Societies Act, 1908, and the principal Act and this Act may be cited together as the Friendly Societies Acts, 1896 and 1908.

(2) This Act shall come in operation on the first day of January nineteen hundred and nine.

(3) Every enactment and word which is expressed to be substituted for or added to any portion of the principal Act shall form part of that Act in the place assigned

to it by this Act, and that Act, and all Acts, including this Act, which refer thereto shall, as from the commencement of this Act, be construed as if the said enactment or word has been originally enacted in the principal Act in the place so assigned, and, where it is substituted for another enactment or word, had been so enacted in lieu of that enactment or word, and the expression "this Act," as used in the principal Act or this Act, shall be construed accordingly.

(4) A copy of the principal Act with every such enactment and word inserted in the place so assigned, and with the omission of the parts expressly repealed by this Act, and with the subsections and paragraphs numbered and lettered in manner directed by this Act, shall be prepared and certified by the Clerk of the Parliaments, and deposited with the rolls of Parliament; His Majesty's printer shall print in accordance with the copy so certified all copies of the principal Act which are printed after the commencement of this Act.

This sub-section differs from previous enactments of a similar import: see the F. S. A., 1887 (50 & 51 Vict. c. 56), s. 18 (2), and the F. S. A., 1895 (58 & 59 Vict. c. 26), s. 19 (4). Those Acts were merely permissive and authorised the printing of the consolidated statute. This sub-section is imperative, so that all future copies of the principal Act *must* be printed in accordance with the certified copy with the additions, omissions and substitutions required by this Act. This direction to the King's printer is similar to those contained in the Industrial and Provident Societies Act, 1894 (57 & 58 Vict. c. 8), s. 4, and the Industrial and Provident Societies (Amendment) Act, 1895 (58 & 59 Vict. c. 30), s. 4; but those differ from the present enactment in that the revised copy of the principal Act so directed is made by the King's printer and not by the Clerk of the Parliaments.

This sub-section appears to be intended to operate as a consolidating enactment, so that matter by this Act enacted by way of substitution or addition shall be inserted in the Friendly Societies Act, 1896, in the place by this Act assigned to it. For this

S. 14.

purpose, however, the sub-section is not completely effective, as no place is assigned in the principal Act for the insertion of s. 2 (2), nor even for the first part of s. 2 (1), though the latter is probably made effectual by the repeal enacted by the latter portion of s. 2 (1).

The sub-section also enacts that the principal Act is to be construed as if the substitutions and additions had been "originally" enacted therein, so that presumably all the amendments by way of substitution and addition must be deemed to be retrospective as from January 1st, 1897.

THE CHILDREN ACT, 1908.

8 Edw. 7, c. 67.

An Act to consolidate and amend the Law relating to the Protection of Children and Young Persons, Reformatory and Industrial Schools, and Juvenile Offenders, and otherwise to amend the Law with respect to Children and Young Persons.

[21st December, 1908.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Part I.

Infant Life Protection.

Ss. 1, 7.

Notices to b given by persons receiving infants for reward.

1.—(1) Where a person undertakes for reward the nursing and maintenance of one or more infants under the age of seven years apart from their parents or having no parents, he shall, within forty-eight hours from the reception of any such infant, give notice in writing thereof to the local authority.

Provided that this section shall not apply, as respects any infant, where the period for which it is received is forty-eight hours or less.

* * * * *

Avoidance o policies of li insurance of infants kept for reward. 14 Geo. 3, c. 48.

7. A person by whom an infant in respect of which notice is required to be given under this Part of this Act is kept shall be deemed to have no interest in the life of the child for the purposes of the Life Assurance Act, 1774, and, if any such person directly or indirectly insures or attempts to insure the life of such an infant, he

Ss. 7, 9, 11.

shall be guilty of an offence under this Part of this Act, and, if a company, within the meaning of the Life Assurance Companies Acts, 1870 to 1872, or any other company, society, or person knowingly issues, or procures or attempts to procure to be issued, to or for the benefit of such a person as aforesaid, or to any person on his behalf, a policy on the life of such an infant, the company, society, or person shall be guilty of an offence under this Part of this Act.

* * * * *

Prosecution offences and application of fines.

9.—(1) Every person guilty of an offence under this Part of this Act shall, on summary conviction, be liable to imprisonment for a term not exceeding six months or to a fine not exceeding £25, and the Court may order any infant in respect of which the offence was committed to be removed to a place of safety.

* * * * *

Exemptions.

11.—(1) The provisions of this Part of this Act shall not extend to any relative or legal guardian of an infant who undertakes the nursing and maintenance of the infant, or to any person who undertakes the nursing or maintenance of an infant under the provisions of any Act for the relief of the poor or of any order made under any such Act; or to hospitals, convalescent homes, or institutions established for the protection and care of infants, and conducted in good faith for religious or charitable purposes, or boarding schools at which efficient elementary education is provided.

(2) For the purposes of this section the expression "relatives" means grandparents, brothers, sisters, uncles and aunts, by consanguinity or affinity, and in the case of illegitimate infants, the persons who would be so related if the infant were legitimate.

THE ASSURANCE COMPANIES ACT, 1909.

9 Edw. 7, c. 49.

An Act to consolidate and amend and extend to other Companies carrying on Assurance or Insurance business the Law relating to Life Assurance Companies, and for other purposes connected therewith.

[3rd December, 1909.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Companies to which Act applies.

S. 1
Companies which Act applies.

1. This Act shall apply to all persons or bodies of persons, whether corporate or unincorporate, not being registered under the Acts relating to friendly societies or to trade unions (which persons and bodies of persons are hereinafter referred to as assurance companies), whether established before or after the commencement of this Act and whether established within or without the United Kingdom, who carry on within the United Kingdom assurance business of all or any of the following classes:—

(a) Life assurance business; that is to say, the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life;

(b) Fire insurance business; that is to say, the issue of, or the undertaking of liability under, policies of insurance against loss by or incidental to fire;

S. 1.

(c) Accident insurance business; that is to say, the issue of, or the undertaking of liability under, policies of insurance upon the happening of personal accidents, whether fatal or not, disease, or sickness, or any class of personal accidents, disease, or sickness;

(d) Employers' liability insurance business; that is to say, the issue of, or the undertaking of liability under, policies insuring employers against liability to pay compensation or damages to workmen in their employment;

(e) * * *;

subject as respects any class of assurance business to the special provisions of this Act relating to business of that class.

A company registered under the Companies Acts which transacts assurance business of any such class as aforesaid in any part of the world shall for the purposes of this provision be deemed to be a company transacting such business within the United Kingdom.

* * * * *

An industrial society provided its members with a share book, a membership card, a purchase book, and a copy of the rules, one of which provided for payment of a sum on the death of a member or his wife proportionate to the purchases of the member from the society during the three years preceding death, and it was held that there was no carrying on of life assurance business within clause (a), as no policy had been issued or premium paid, and there was no obligation on the society to appropriate any sum to the insurance fund, and the society in general meeting might at any time terminate the arrangement: *Hampton* v. *Toxteth Co-operative Provident Society*, (1915) 1 Ch. 721.

A policy for the payment of a sum certain to the assured on attaining a certain age or at a future date, and of a smaller sum on his previous death is an assurance on a life within the Stamp Act, 1891, s. 98: *Prudential Insurance Co.* v. *Inland Revenue Commissioners*, (1904) 2 K. B. 658; and the issuing of such policies is carrying on life assurance business within this

section: see *Joseph* v. *Law Integrity Assurance Co.*, (1912) 2 Ch. 581; *Flood* v. *Irish Provident Assurance Co.*, (1912) 2 Ch. 597, n.; *Re National Standard Life Assurance Co.*, (1918) 1 Ch. 427. Cf. *Gould* v. *Curtis*, (1913) 3 K. B. 84. Ss. 1, 2.

The I. A. A., s. 42 (1), substitutes a fresh paragraph for paragraph (e) defining bond investment business: see p. 345.

General.

2.—(1) Every assurance company shall deposit and keep deposited with the Paymaster-General for and on behalf of the Supreme Court the sum of twenty thousand pounds. Deposit.

(2) The sum so deposited shall be invested by the Paymaster-General in such of the securities usually accepted by the Court for the investment of funds placed under its administration as the company may select, and the interest accruing due on any such securities shall be paid to the company.

* * * * *

(4) Where a company carries on, or intends to carry on, assurance business of more than one class, a separate sum of twenty thousand pounds shall be deposited and kept deposited under this section as respects each class of business, and the deposit made in respect of any class of business, in respect of which a separate assurance fund is required to be kept shall be deemed to form part of that fund, and all interest accruing due on any such deposit or the securities in which it is for the time being invested shall be carried by the company to that fund.

(5) The Paymaster-General shall not accept a deposit except on a warrant of the Board of Trade.

(6) The Board of Trade may make rules with respect to applications for warrants, the payment of deposits, and the investment thereof or dealing therewith, the deposit of stocks or other securities in lieu of money, the payment of the interest or dividends from time to time accruing due on any securities in which deposits are for the time

Ss. 2—5.

being invested, and the withdrawal and transfer of deposits, and the rules so made shall have effect as if they were enacted in this Act, and shall be laid before Parliament as soon as may be after they are made.

* * * * *

Separation of funds.

3.—(1) In the case of an assurance company transacting other business besides that of assurance or transacting more than one class of assurance business, a separate account shall be kept of all receipts in respect of the assurance business or of each class of assurance business, and the receipts in respect of the assurance business, or, in the case of a company carrying on more than one class of assurance business, of each class of business, shall be carried to and form a separate assurance fund with an appropriate name: Provided that nothing in this section shall require the investments of any such fund to be kept separate from the investments of any other fund.

(2) A fund of any particular class shall be as absolutely the security of the policy holders of that class as though it belonged to a company carrying on no other business than assurance business of that class, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of assurance of that class, and shall not be applied, directly or indirectly, for any purposes other than those of the class of business to which the fund is applicable.

* * * * *

Actuarial report and abstract.

5.—(1) Every assurance company shall, once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or byelaws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary, and shall cause an abstract

of the report of such actuary to be made in the form or forms set forth in the Fourth Schedule to this Act and applicable to the class or classes of assurance business carried on by the company.

(2) The foregoing provisions of this section shall also apply whenever at any other time an investigation into the financial condition of an assurance company is made with a view to the distribution of profits, or the results of which are made public.

* * * * *

Deposit accounts with Bo of Trade

7.—(1) Every account, balance sheet, abstract, or statement hereinbefore required to be made shall be printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company and by the principal officer of the company and, if the company has a managing director, by the managing director, shall be deposited at the Board of Trade within six months after the close of the period to which the account, balance sheet, abstract, or statement relates: Provided that, if in any case it is made to appear to the Board of Trade that the circumstances are such that a longer period than six months should be allowed, the Board may extend that period by such period not exceeding three months as they think fit.

(2) The Board of Trade shall consider the accounts, balance sheets, abstracts, and statements so deposited, and, if any such account, balance sheet, abstract, or statement appears to the Board to be inaccurate or incomplete in any respect, the Board shall communicate with the company with a view to the correction of any such inaccuracies and the supply of deficiencies.

(3) There shall be deposited with every revenue account and balance sheet of a company any report on the affairs of the company submitted to the shareholders or policy holders of the company in respect of the financial year to which the account and balance sheet relates.

ss. 7, 9, 13.

(4) Where an assurance company registered under the Companies Acts in any year deposits its accounts and balance sheet in accordance with the provisions of this section, the company may, at the same time, send to the registrar a copy of such accounts and balance sheet; and, where such copy is so sent, it shall not be necessary for the company to send to the registrar a statement in the form of a balance sheet as required by subsection (3) of section twenty-six of the Companies (Consolidation) Act, 1908, and the copy of the accounts and balance sheet so sent shall be dealt with in all respects as if it were a statement sent in accordance with that subsection.

8 Edw. 7, c. 69.

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Audit of accounts.

9. Where the accounts of an assurance company are not subject to audit in accordance with the provisions of the Companies (Consolidation) Act, 1908, or the Companies Clauses Consolidation Act, 1845, relating to audit, the accounts of the company shall be audited annually in such manner as the Board of Trade may prescribe, and the regulations made for the purpose may apply to any such company the provisions of the Companies (Consolidation) Act, 1908, relating to audit, subject to such adaptations and modifications as may appear necessary or expedient.

8 & 9 Vict. c. 16.

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Amalgamation or transfer.

13.—(1) Where it is intended to amalgamate two or more assurances companies, or to transfer the assurance business of any class from one assurance company to another company, the directors of any one or more of such companies may apply to the Court, by petition, to sanction the proposed arrangement.

(2) The Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

(3) Before any such application is made to the Court—

(*a*) notice of the intention to make the application shall be published in the Gazette; and

(*b*) a statement of the nature of the amalgamation or transfer, as the case may be, together with an abstract containing the material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which the agreement or deed is founded, including a report by an independent actuary, shall, unless the Court otherwise directs, be transmitted to each policy holder of each company in manner provided by section one hundred and thirty-six of the Companies Clauses Consolidation Act, 1845, for the transmission to shareholders of notices not requiring to be served personally: Provided that it shall not be necessary to transmit such statement and other documents to policy holders other than life, endowment, sinking fund, or bond investment policy holders, nor in the case of a transfer to such policy holders if the business transferred is not life assurance business or bond investment business; and

(*c*) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy holders and shareholders at the offices of the companies for a period of fifteen days after the publication of the notice in the Gazette.

(4) No assurance company shall amalgamate with another or transfer its business to another, unless the amalgamation or transfer is sanctioned by the Court in accordance with this section.

s. 14, 29.

atements case of malgamation transfer.

14. Where an amalgamation takes place between any assurance companies, or where any assurance business of one such company is transferred to another company, the combined company or the purchasing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation or transfer, deposit with the Board of Trade—

(*a*) certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer; and

(*b*) a certified copy of the agreement or deed under which the amalgamation or transfer is effected; and

(*c*) certified copies of the actuarial or other reports upon which that agreement or deed is founded; and

(*d*) a declaration under the hand of the chairman of each company, and the principal officer of each company, that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities, or other property by or with the knowledge of any parties to the amalgamation or transfer.

* * * * *

terpre-tion.

29. In this Act, unless the context otherwise requires—

* * * * *

The expression "policy holder" means the person who for the time being is the legal holder of the policy for securing the contract with the assurance company;

* * * * *

The expression "actuary" means an actuary pos-

sessing such qualifications as may be prescribed by rules made by the Board of Trade;

* * * * *

Application to Special Classes of Business.

Ss. 29, 30, 35.

30. Where a company carries on life assurance business, this Act shall apply with respect to that business, subject to the following modifications:—

Application to life assurance companies.

(*a*) "Policy on human life" shall mean any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

* * * * *

(*d*) Where the company intends to amalgamate with or to transfer its life assurance business to another assurance company, the Court shall not sanction the amalgamation or transfer in any case in which it appears to the Court that the life policy holders representing one-tenth or more of the total amount assured in the company dissent from the amalgamation or transfer;

* * * * *

35. The Board of Trade may, on the application of any unregistered trade union originally established more than twenty years before the commencement of this Act, extend to the trade union the exemption conferred by this Act on registered trade unions, and may on the application of an unregistered friendly society extend to the society the exemption conferred by this Act on registered friendly societies if it appears to the Board, after consulting the Chief Registrar of Friendly Societies, that the society is one to which it is inexpedient that the provisions of this Act should apply.

Power of Board of Trade to exempt unregistered trade unions and friendly societies.

THE LICENSING (CONSOLIDATION) ACT, 1910.

10 EDW. 7 & 1 GEO. 5, c. 24.

An Act to consolidate the Law relating to Justices' Licences for the Sale by retail of Intoxicating Liquor and to the Registration of Clubs.

[3rd August, 1910.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

* * * * *

Registration of Clubs.

S. 91. Obligation to register clubs.

91.—(1) The secretary of every club which occupies a house or part of a house which is habitually used for the purposes of a club, and in which any intoxicating liquor is supplied to members or their guests, or any other premises which are habitually so used and in which any intoxicating liquor is so supplied, shall cause the club to be registered in manner provided by this Act.

(2) The registration of a club under this Act shall not constitute the club premises licensed premises, or authorise any sale of intoxicating liquor therein which would otherwise be illegal.

Where the members of a club are the owners of intoxicating liquors kept on the club premises and intended for consumption by the members, the distribution of the liquors among the members by one of their number, although in return for payment, is not a sale by retail within this Act, even though the club is liable to be struck off the register under s. 95 on the ground that it is not conducted in good faith as a club: *Metford* v. *Edwards*, (1915) 1 K. B. 172.

S. 92.

Mode of registration of clubs.

92.—(1) The clerk to the justices of every petty sessional division shall keep a register of all such clubs within the division.

(2) The register shall be in a form prescribed by the Secretary of State, and shall contain—

(*a*) the name and objects of the club;
(*b*) the address of the club;
(*c*) the name of the secretary;
(*d*) the number of members;
(*e*) the rules of the club relating to—
(i) the election of members and the admission of temporary and honorary members and of guests;
(ii) the terms of subscription and entrance fee, if any;
(iii) the cessation of membership;
(iv) the hours of opening and closing; and
(v) the mode of altering the rules.

The rules contained in the register shall include a statement of the permitted hours applicable to the club: Licensing Act, 1921 (11 & 12 Geo. 5, c. 42), s. 13. A club registered under the F. S. A. before August 17th, 1921, which supplies intoxicating liquor, must register an amendment of rules stating the permitted hours.

(3) The secretary of every such club shall, in the month of January in every year, furnish to the clerk to the justices a return, signed by the secretary, giving the above-mentioned particulars, together with a signed statement that there is kept upon the club premises a register of the names and addresses of the club members, and a record of the latest payment of their subscriptions.

(4) Where a new club which requires to be registered under this Act is about to be opened, the secretary shall, before the opening of the club, furnish to the clerk to the justices a return, signed by the secretary, giving the above-mentioned particulars.

Ss. 92—95.

(5) The clerk to the justices shall keep the register of clubs corrected up to date in accordance with the returns furnished by the secretaries, and the register shall, at all reasonable hours, be open to the inspection of an inspector or superintendent of police, or an officer of customs and excise, without payment and of any other person on payment of a fee not exceeding one shilling.

(6) A fee of five shillings shall be payable to the clerk to the justices on each return made by the secretary of a club.

* * * * *

Penalty for supplying or keeping liquor in unregistered club.

93.—(1) If any intoxicating liquor is supplied or sold to any member or guest on the premises of an unregistered club, the person supplying or selling the liquor, and every person authorising the supply or sale of the liquor, shall be liable to imprisonment, with or without hard labour, for a term not exceeding one month, or to a fine not exceeding fifty pounds, or to both.

(2) If any intoxicating liquor is kept for supply or sale on the premises of an unregistered club, every officer and member of the club shall be liable to a fine not exceeding five pounds, unless he proves to the satisfaction of the court that the liquor was so kept without his knowledge or consent.

Supply of liquor in clubs for consumption off the premises.

94. Intoxicating liquor shall not be supplied in a club for consumption off the premises except to a member on the premises; and if any person supplies or obtains any intoxicating liquor in contravention of the provisions of this section, he shall be liable to a fine not exceeding ten pounds.

Striking off club register.

95.—(1) Where a club has been registered in pursuance of this Act, a court of summary jurisdiction on complaint in writing by any person may, if they think fit, make an

order directing the club to be struck off the register on all or any of the following grounds, namely— S. 95.

(*a*) that the club has ceased to exist, or that the number of members is less than twenty-five; or

(*b*) that it is not conducted in good faith as a club, or that it is kept or habitually used for any unlawful purpose; or

(*c*) that there is frequent drunkenness on the club premises; or

(*d*) that illegal sales of intoxicating liquor have taken place on the club premises; or

(*e*) that persons who are not members are habitually admitted to the club merely for the purpose of obtaining intoxicating liquor; or

(*f*) that the club occupies premises in respect of which, within twelve months next preceding the formation of the club, a justices' licence has been forfeited or the renewal of a justices' licence has been refused, or in respect of which an order has been made that they shall not be used for the purposes of a club; or

(*g*) that persons are habitually admitted as members without an interval of at least forty-eight hours between their nomination and admission; or

(*h*) that the supply of intoxicating liquor to the club is not under the control of the members or the committee appointed by the members.

On the meaning of "refused" in clause (*f*), see *Plaistow Working Men's Club* v. *Harrod,* (1910) 1 K. B. 582.

A club which has been struck off the register of clubs cannot again be registered under the Act as a club: *Lees* v. *Lovie,* (1912) 2 K. B. 425.

(2) For the purpose of determining whether a club is conducted in good faith as a club, the court shall have regard to the nature of the premises occupied by the club.

(3) If the court grant a summons on the complaint,

Ss. 95—97.

the summons shall be served on the secretary and on such other person, if any, as the court may direct.

(4) Where the court make an order striking a club off the register the court may, if they think fit, by that order further direct that the premises occupied by the club shall not be used for the purposes of any club which requires to be registered under this Act for a specified period, which may extend, in case of a first order, to twelve months, or, in case of a second or subsequent order, to five years;

Provided that any such direction may, for good cause shown, be subsequently cancelled or varied by the court.

* * * * *

Search warrant to enter club.

96.—(1) If a justice of the peace is satisfied by information on oath that there is reasonable ground for supposing that any registered club is so managed or carried on as to constitute a ground for striking it off the register, or that any intoxicating liquor is sold or supplied, or kept for sale or supply, on the premises of an unregistered club, he may grant a search warrant to any constable named therein.

(2) A search warrant granted under this section shall authorise the constable named therein to enter the club, if need be by force, and to inspect the premises of the club, to take the names and addresses of any persons found therein, and to seize any books and papers relating to the business of the club.

Penalty for false returns, &c. by club secretary.

97.—(1) If the secretary of any registered club or any club which requires to be registered under this Act omits to make any return required by this Act he shall be liable to a fine not exceeding twenty pounds, and in the case of a second or subsequent offence to imprisonment, with or without hard labour, for a term not exceeding one month, or to a fine not exceeding fifty pounds, or to both.

(2) If the secretary of any such club knowingly makes a return which is false in any material particular, he shall be liable to imprisonment, with or without hard labour,

for a term not exceeding three months, or to a fine not exceeding fifty pounds, or to both. Ss. 97-11

98. In the application to London of the provisions of this Act relating to the registration of clubs, the clerk to a metropolitan police court as respects any place within the jurisdiction of a metropolitan police court, and the clerk of special sessions as respects the city of London shall be substituted for the clerk to the justices. Application to London provisions to clubs.

Legal Proceedings.

99.—(1) Except as otherwise expressly provided, any offence under this Act may be prosecuted, and every fine or forfeiture may be recovered and enforced, in manner provided by the Summary Jurisdiction Acts. Summary prosecution for offences

(2) If any person feels aggrieved by an order or conviction made by a court of summary jurisdiction under this Act, he may appeal therefrom to quarter sessions.

* * * * *

110. In this Act, unless the context otherwise requires— Definitions

The expression "secretary" in relation to a club includes any officer of the club or other person performing the duties of a secretary, and, in the case of a proprietary club where there is no secretary, the proprietor of the club; and

The expression "unregistered club" means a club which requires to be registered under this Act, but is not so registered, or which has been struck off the register of clubs.

* * * * *

113.—(1) This Act may be cited as the Licensing (Consolidation) Act, 1910. Short title, commencement and extent.

(2) This Act shall come into operation on the first day of January nineteen hundred and eleven.

(3) This Act shall not extend to Scotland or Ireland.

THE WAR LOAN (SUPPLEMENTAL PROVISIONS) ACT, 1915.

5 & 6 GEO. 5, c. 93.

S. 8.

Power of Public Trustee to hold securities of friendly societies, &c. 1 & 2 Geo. 5, c. 55.

8.—(1) Notwithstanding anything in any Act to the contrary, any part of the funds of any registered friendly society or any branch thereof, or of any registered trade union or society approved for the purposes of the National Insurance Act, 1911, and any stocks, shares, or securities held by, or on behalf of, any such society, union, or branch, may, if the Public Trustee agrees to such transfer, and rules of the society, union, or branch are made for the purpose, be transferred to the Public Trustee.

(2) The Public Trustee shall invest, in accordance with the rules, any funds so transferred to him, and shall pay the interest on any stocks, shares, or securities acquired by or transferred to him in pursuance of this section to the trustees of the society, union, or branch; and shall, if and when so required by those trustees, transfer the capital of the stocks, shares, or securities to them, or realise the same and transfer the proceeds to them.

(3) Pending the making of rules, any War Loan Stock, 1925—1945, held by or on behalf of any such society, union or branch, may, if the Public Trustee agrees to such transfer, be transferred to him as though rules were made for the purpose.

(4) The Public Trustee shall be completely exonerated from any liability in relation to any stock, shares, or securities held by him in pursuance of this section, and no action shall lie against the Public Trustee in respect of any such stock, shares, or securities, provided that he acts in accordance with the provisions of this section.

(5) This section shall be deemed to have had effect as from the 2nd day of July, 1915.

(6) This section shall not apply to Scotland.

S. 9.

Investment of funds of friendly societies, & in Scotland

9.—(1) Notwithstanding anything in any enactment to the contrary, it shall be lawful, when provision is made therefor by the rules of any friendly society or trade union registered in Scotland, or of any society approved by the Scottish Insurance Commissioners for the purpose of the National Insurance Act, 1911, or of any branch of such society or union, for any funds of such society or union or branch which may lawfully be invested in stock issued in connection with any loan raised for the purposes of the present war, to be invested in such stock in the name of the "Accountant of Court," provided that pending the making of rules so providing it shall be lawful for the executive body of such society, union or branch to invest any such funds in the said stock in the name of the "Accountant of Court" as if such provision were made by the rules.

(2) When any funds of such society, union, or branch are so invested in any such stock in the name of the "Accountant of Court," the exercise of any power or discretion exercisable by the trustees or executive body of such society, union, or branch in relation to such funds, shall remain vested in such trustees or executive body, and the "Accountant of Court" shall concur in and perform all acts necessary to enable the exercise of any such power or discretion by the trustees or executive body, and shall not be liable for any act or default on the part of such trustees or executive body.

(3) All sums payable by way of interest or dividend on such investment or in respect of the sale or realisation of the same shall, when received by the "Accountant of Court," be paid over by him to the trustees or executive body of such society, union, or branch, or to such person, or into such bank to the credit of such person as the trustees or executive body may direct, and on such payment the "Accountant of Court" shall be exonerated from seeing to the application of such sums, and shall not be answerable for any loss or misapplication thereof.

THE INDUSTRIAL ASSURANCE ACT, 1923.

13 & 14 Geo. 5, c. 8.

An Act to consolidate and amend the law relating to Industrial Assurance, and to make provision with respect to war bond policies and policies to which the Courts (Emergency Powers) Act, 1914, applies, and bond investment business. [7th June, 1923.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Industrial Assurance Business.

S. 1.

Industrial assurance business.

9 Edw. 7, c. 49.

1.—(1) Industrial assurance business shall not be carried on except by a registered friendly society or by an assurance company within the meaning of the Assurance Companies Act, 1909, which is either registered under the Companies Acts, or the Industrial and Provident Societies Acts, 1893 to 1913, or incorporated by special Act, and a registered friendly society which carries on such business is in this Act referred to as a collecting society and an assurance company which carries on such business is in this Act referred to as an industrial assurance company:

Provided that, where an industrial assurance company carries on both industrial assurance business and other business, nothing in this Act shall, save as otherwise expressly provided, apply to any of the business of the company other than the industrial assurance business.

Prior to the passing of this Act the expression industrial assurance was a popular rather than a legal one, and was applied

to the assurance of small sums, the premiums in respect of which were collected at short intervals by agents of the societies or companies granting such assurances. This Act is called a consolidating and amending Act, and though it repeals and substantially re-enacts the C. S. A. and s. 36 of the A. C. A., which were the former Acts relating to industrial assurance, the consolidation is in a large measure only by reference to the F. S. A., the Companies (C) Act, 1908, and the A. C. A., which must also be consulted with regard to the law relating to industrial assurance. The Act adopts the recommendation of the report in February, 1920, of the departmental committee set up by the Board of Trade, that the industrial assurance business of companies should be separated from their ordinary assurance business for the purpose of s. 1 of the A. C. A., and that the supervision and control of all industrial assurance business, whether conducted by societies or companies, should be vested in the chief registrar of friendly societies. To effect this an alteration has been made in the method of applying the law; for in the C. S A., which was formerly the principal Act applying to industrial assurance, its application was effected by defining the societies and companies which transacted such business, but in this Act the term industrial assurance business itself is defined so as to include every policy on which the premiums are received by means of collectors at less periodical intervals than two months, both the limit of amount and of the area of collection contained in the C. S. A. being omitted. With a few exceptions the Act applies only to the industrial assurance business of societies and companies, so that in the case of companies transacting business other than industrial assurance business they will as regards such other business continue to be subject to the A. C. A. and the supervision of the Board of Trade, and in the case of collecting societies, the business of the societies, other than industrial assurance business, will still be subject to the F. S. A. as well as the general provisions of this Act. In consequence of this alteration of method in applying the law, the term "collecting society" in this Act has a somewhat different meaning from that term in the C. S. A.: see note to s. 6.

By sub-s. 1 an unregistered collecting society is now rendered illegal, and the persons who carry on such a society are liable to penalties: s. 39 (4).

The provisions of the Act which apply to the business of a company other than industrial assurance business are ss. 4, 16 (2), 28, 30, and 42.

S. 1.

(2) For the purposes of this Act, "industrial assurance business" means the business of effecting assurances upon human life premiums in respect of which are received by means of collectors:

Provided that such business shall not include—

(*a*) assurances the premiums in respect of which are payable at intervals of two months or more;

(*b*) assurances effected whether before or after the passing of this Act by a society or company established before the date of the passing of this Act which at that date had no assurances outstanding the premiums on which were payable at intervals of less than one month so long as the society or company continues not to effect any such assurances;

(*c*) assurances effected before the passing of this Act, premiums in respect of which are payable at intervals of one month or upwards, and which have up to the commencement of this Act been treated as part of the business transacted by a branch other than the industrial branch of the society or company;

(*d*) assurances for twenty-five pounds or upwards effected after the passing of this Act, premiums in respect of which are payable at intervals of one month or upwards, and which are treated as part of the business transacted by a branch other than the industrial branch of the society or company, in cases where the Commissioner hereinafter mentioned certifies that the terms and conditions of such assurances are on the whole not less favourable to the assured than those imposed by this Act.

The omission from the definition in sub-s. (2) of any limit of area in the collection of premiums brings within the operation of this Act many societies and companies which, though really collecting societies, were nevertheless not subject to the C. S. A.,

because they confined their operations within a limited area, but s. 10 enables the Commissioner to exempt a society carrying on business within ten miles of its office if he is of opinion that it is one to which the Act ought not to apply.

For the definition of collector, see s. 45 (p. 349).

Proviso (a) excludes from industrial assurance business all assurances except those on which premiums are payable at intervals of less than two months, with a few further exceptions, viz.: under proviso (b) are also excluded assurances by societies or companies existing at the date of the Act and having no tables under which premiums are payable less frequently than monthly, and this excludes all really ordinary assurance and some societies which would otherwise be collecting societies; there are also excluded under proviso (c) assurances effected prior to June 7th, 1923, by societies or companies on monthly tables or upwards if hitherto treated as part of ordinary branch business; and under proviso (d) future assurances for £25 or upwards by societies or companies on monthly tables or upwards and treated as ordinary branch business if the Commissioner certifies that the terms and conditions are not less favourable to the assured than those imposed by the Act. In dealing with applications for a certificate under this proviso the Commissioner has decided that the two matters to which attention must be directed are the length of notice before forfeiture, and the terms on which paid-up policies and surrenders are granted.

Assurances on children's lives excluded by proviso (a) are nevertheless subject to the provisions of s. 4 (p. 286).

Industrial assurance funds have to be kept separate and apart from the other funds of a society or company: ss. 8, 12 (1).

The fee on every application for a certificate under sub-s. 2 (d) for each class of assurances to which the application relates is 10*l.* (p. 347).

(3) When a society or company has ceased to effect industrial assurances, it shall, so long as it continues liable on the assurances previously effected, be deemed to carry on industrial assurance business.

Industrial Assurance Commissioner.

2.—(1) The chief registrar of friendly societies shall be the authority charged with such powers and duties in relation to industrial assurance as are conferred and imposed upon him by this Act, and in that capacity and

Ss. 2, 3.

59 & 60 Vict., c. 25.
8 Edw. 7, c. 32.

in the exercise and performance of the powers and duties of the chief registrar of friendly societies under the Friendly Societies Acts, 1896 and 1908, in relation to collecting societies he shall, as from the passing of this Act, be known as and styled the Industrial Assurance Commissioner, and is in this Act referred to as the Commissioner, and anything which under the Friendly Societies Acts, 1896 and 1908, is authorised or required to be done by, to or before the central office or the registrar or an assistant registrar shall, where the society is a collecting society, be done by, to or before the Commissioner.

(2) Anything which under this Act is required or authorised to be done by, to or before the Commissioner may be done by, to or before such person as he may appoint for the purpose.

The chief registrar in his capacity of Industrial Assurance Commissioner is now the sole authority in relation to all the business of collecting societies and in relation to industrial assurance business carried on by companies, and, as regards the latter, he has the powers hitherto vested in the Board of Trade, subject to the modifications made and the additional powers conferred by this Act.

The supervision and control of collecting societies registered in Scotland is transferred to the chief registrar as Industrial Assurance Commissioner, though under sub-s. 2 he may depute the assistant registrar or any other person to act for him.

Purposes for which policies may be issued.

3. Amongst the purposes for which collecting societies and industrial assurance companies may issue policies of assurance there shall be included insuring money to be paid for the funeral expenses of a parent, child, grandparent, grandchild, brother, or sister, and the issuing of such policies shall be treated as part of the industrial assurance business of the society or company.

This section reproduces s. 36 of the A. C. A., 1909, with the addition of the concluding sentence, which brings all policies of this class within the scope of the Act, though such policies may not

S. 3.

Extension objects.

strictly fall within the definition in s. 1. The section extends the F. S. A., s. 8 (1) (b) (p. 19), so far as collecting societies only are concerned. In order that a society may legally grant insurances authorised by the section, the rules of the society must include the granting of such insurances among the objects of the society.

The person effecting an assurance authorised by the section must be a member of the society, but, unless the rules so provide, the member may be a member for this assurance only and need not effect a policy on his own life. The section only authorises a society to grant an assurance for funeral expenses, and it is to be granted to the member and not the person whose funeral expenses are insured, the latter not being made a member of the society by this form of assurance. The sum assured for funeral expenses cannot be disposed of by a statutory nomination, and the assurance terminates on the death of the member unless by the rules of the society or by the policy some other person has a right to continue the assurance: cf. s. 4 (2).

In considering the validity of any insurance effected under this section, it is presumed that the principles laid down in s. 31 would apply, namely, that the policy must be effected by or on account of a person who had at the time a *bonâ fide* expectation that he would incur expenses in connection with the death or funeral of the assured, and the sum assured must not be unreasonable for the purpose of covering those expenses: see note to F. S. A., s. 8 (1), p. 22.

A policy effected under this section would appear to be a policy of indemnity rather than a life policy in which the assured is said to have an insurable interest, but in either case a person who has effected several policies with different companies against funeral expenses which he may incur on the death of a relative, and on such death is paid by one or more of such companies the full amount of such expenses, cannot maintain a claim against another of such companies for the amount of the policy effected with it, nor in the absence of fraud or mistake of fact obtain a return of the premiums paid to such company: *Wolenberg* v. *Royal Co-operative Collecting Society* (1915), 84 L. J. K. B. 1316. The funeral expenses claimed must be reasonable having regard to the circumstances of the case, and cannot be taken as a matter of law to exclude the cost of a tombstone, that being a question of fact: *Goldstein* v. *Salvation Army Assurance Society*, (1917) 2 K. B. 291.

The insuring of money payable on the death of any person other

Ss. 3, 4.

than the relatives of the person effecting the assurance which are named in this section or in s. 8 (1) (b) of the F. S. A., or even such of those relatives as the society is not authorised by its rules to insure, will be beyond the legal power of the society, and render it and its officers liable to penalties under s. 5.

Assurances on children's lives.

4.—(1) The provisions of sections sixty-two and sixty-four to sixty-seven of the Friendly Societies Act, 1896, relating to payments on the death of children shall extend to industrial assurance companies as if those provisions were herein re-enacted, and in terms made applicable to industrial assurance companies.

* * * * *

For the F. S. A., ss. 62, 64—67, see pp. 137—143. The last portion of the sub-section was repealed by the F. S. A., 1924, s. 2 (3), by which the limit to the amount of insurance permitted on the lives of immature children has been raised, and all friendly societies are put in the same position as collecting societies and industrial assurance companies with regard to the amount payable on the death of children under ten.

The restrictions of this section apply not only to policies effected on the life and on behalf of a child, but also to policies under s. 3 assuring funeral expenses of a child: cf. s. 20 (1).

(2) A collecting society or an industrial assurance company shall not pay any sum on the death of a child under ten years of age except to the person who took out the policy on the life of the child, being the parent, grandparent, brother or sister of the child, or to the personal representative of that person, nor except upon production by the person claiming payment of a certificate of death issued by the registrar of deaths, or other person having the care of the register of deaths, containing the particulars mentioned in section sixty-four of the Friendly Societies Act, 1896:

Provided that, where there is no personal representative of the person who took out the policy, the payment may be made to such one of the next of kin of that

person as proves that he has defrayed, or undertakes to defray, the funeral expenses of the child.

(3) The provisions of this section shall extend to assurances by industrial assurance companies premiums in respect of which are payable at intervals of two months or more.

This section extends to all assurances by companies on children's lives whether such assurances are industrial assurances or not.

(4) Section sixty-three of the Friendly Societies Act, 1896, shall cease to apply to collecting societies.

Prohibition issue of ille policies.

5.—(1) Any collecting society or industrial assurance company which issues policies of industrial assurance which are illegal or are not within the legal powers of the society or company shall be held to have made default in complying with the provisions of this Act, and, where any such policy has been issued, the society or company shall, without prejudice to any other penalty, be liable to pay to the owner of the policy a sum equal to the surrender value of the policy (to be ascertained in manner hereinafter provided), or, if the policy was issued after the commencement of this Act, a sum equal to the amount of the premiums paid, unless it is proved that owing to any false representation on the part of the proposer, the society or company did not know that the policy was illegal or beyond their legal powers.

(2) No collector of, or person employed by, a society or company shall knowingly assist in effecting a policy of industrial assurance which is illegal or not within the legal powers of the society or company.

This section replaces s. 36 (3) of the A. C. A. with considerable amendments.

The distinction between illegal policies and those not within the legal powers of a society or company appears to be that the former is prohibited by law, *e.g.*, a policy taken out by one person on the life of another in whom he has no insurable interest,

Ss. 5—7.

whilst the latter is a policy which is *ultra vires* the society or company as not being authorised by its rules or memorandum.

The mere issue of a policy which is illegal, or *ultra vires* the society, is an offence under s. 39 (1). The ascertainment of the surrender value of a policy which has been issued is provided for by s. 29 (p. 327).

For the definition of owner, see s. 45. The owner is entitled to the surrender value of a policy issued before January 1st, 1924, or the return of premiums if it was issued after that date.

In addition to the penalties provided by this section it would seem that a member either suing on behalf of himself and others, or suing alone, might restrain the society or company from doing acts *ultra vires* the society or company, but a stranger who is not specially damaged could not so sue.

Special Provisions as to Collecting Societies.

Name of collecting societies.

6. In the case of any collecting society registered after the thirty-first day of December, eighteen hundred and ninety-five, or of a society which becomes a collecting society after the passing of this Act, the last words in the name of the society shall be "collecting society," and the society shall use its registered name on all documents issued by it and no other name.

This provision as to the name, which was first enacted by the F. S. A., 1895, is in accordance with the spirit of the Acts that the names of societies should as far as possible indicate their nature: cf. F. S. A., s. 10. The concluding part of the section is new, and the failure to comply with the section is an offence: s. 39 (1) (p. 349).

There are certain friendly societies which receive premiums by means of collectors, but by reason of not receiving the same at a greater distance than ten miles from the registered office were not collecting societies within the C. S. A., it is apprehended that such societies became collecting societies within the meaning of this Act when it came into operation on January 1st, 1924, *i.e.*, after the passing of the Act, and therefore such societies are subject to the Act unless exemption is obtained under s. 10.

Deposits by collecting societies.

7.—(1) Every collecting society shall be under the like obligation to deposit and keep deposited the sum of

twenty thousand pounds as an industrial assurance company, and section two of the Assurance Companies Act, 1909, as applied by this Act to industrial assurance companies, shall apply accordingly, subject in its application to collecting societies to the following modifications:— S. 7.

(*a*) For references to the Board of Trade, there shall be substituted references to the Commissioner:

(*b*) Subsection (3) shall not apply:

(*c*) In the case of a society registered and carrying on industrial assurance business at the passing of this Act, the deposit shall be made before the commencement of this Act; but in any particular case the Commissioner shall, if satisfied as to the financial position of the society at the time of the passing of this Act, postpone the time for making the deposit to some time within five years after the commencement of this Act, and shall, on the application of the society from time to time, further postpone the time for making the deposit if he is still satisfied as to the financial position of the society, but not for more than five years at any one time:

(*d*) In the case of a society commencing to carry on industrial assurance business after the passing of this Act, the deposit shall be made before the society commences to carry on such business:

(*e*) In the case of a society applying after the passing of this Act for registry under the Friendly Societies Act, 1896, or for the registry of amendments of its rules, if the proposed rules of the society or the proposed amendments are such as will enable the society to carry on industrial assurance business, the Commissioner shall not issue to the society an acknowledgment of registry of the society or of amendment of rules, as the case may be, until the deposit has been made:

S. 7.

(*f*) A collecting society shall not be required to make a deposit in respect of any business other than industrial assurance business, but, subject as aforesaid, subsection (4) of the said section shall apply.

As to s. 2 of the A. C. A., see p. 265.

The power of the Board of Trade under s. 2 (6) of the A. C. A. to make rules with respect to deposits, &c., has been exercised by the Commissioner in the Industrial Assurance (Deposits, &c.) Rules, 1923, dated June 25th, 1923 (see p. 485).

If the Commissioner refuses to extend the time for making a deposit by a society registered before January 1st, 1924, the society may appeal to the Court: sub-s. 2. The fee on an application or request for postponement or further postponement of time under sub-s. 1 (c) is 5*l.* (p. 347).

Paragraph (e) empowers the Commissioner to prevent a society from commencing to carry on industrial assurance business without making the statutory deposit required by paragraph (d).

Default in complying with the section is an offence: s. 39.

(2) If a society feel aggrieved at a refusal of the Commissioner to allow further time for making a deposit under paragraph (*c*) of subsection (1) of this section, the society may, with the leave of the court, appeal to the High Court or, in the case of a society registered in Scotland, to the Court of Session.

An appeal to the High Court is regulated by R. S. C., Ord. LVB, rr. 49—58.

(3) If the Commissioner is satisfied that a collecting society has made default in complying with the provisions of this section, the Commissioner may award that the society be dissolved and its affairs wound up.

As to the manner of making and the consequences of the award, see F. S. A., s. 80; the Commissioner may direct a division or appropriation of the society's assets, and the society may appeal against the award: s. 45 (2).

(4) This section, so far as it relates to a society commencing to carry on industrial assurance business or

applying for registration or for registration of an amendment of rules enabling it to carry on industrial assurance business after the passing of this Act, shall come into operation on the passing of this Act.

(5) Where the rules of a collecting society (hereinafter in this subsection referred to as a subsidiary society), whether registered before or after the passing of this Act, provide that the management of that society shall be vested in the committee of management of some other friendly society (hereinafter in this subsection referred to as the principal society) which was registered before the fourth day of August, nineteen hundred and twenty-one, then—

(*a*) the principal society may make on behalf of the subsidiary society the deposit required to be made by this section and may apply any of its funds for that purpose, and in that case the interest on the deposit, or the securities in which the deposit is for the time being invested, shall be paid to the principal society and not to the subsidiary society; or

(*b*) the principal society may guarantee the liabilities of the industrial assurance fund of the subsidiary society to the extent of twenty thousand pounds in such manner and subject to such amendment of rules as the Commissioner may require, and the principal society may amend its rules accordingly; and if the Commissioner is satisfied with such guarantee he may accept the guarantee in lieu of the deposit required by this section.

Where the principal society is a society with branches, the rules of the society may provide for the central body of the society borrowing from the branches and the branches lending to the central body funds required for making such a deposit as aforesaid.

This sub-section has so far not been made use of, for it is

Ss. 7, 8.

really made superfluous by the provision in sub-s. 2 enabling the making of the deposit to be postponed.

Provisions to be contained in rules.

8.—(1) The rules of a collecting society shall provide—

(*a*) for a separate account being kept of all receipts in respect of the industrial assurance business transacted by the society, and for those receipts being carried to and forming a separate fund under the name of the industrial assurance fund; but nothing in this provision shall be construed as requiring the investments of the industrial assurance fund to be kept separate from the other investments of the society;

(*b*) for the industrial assurance fund being as absolutely the security of the owners of the industrial assurance policies as though it belonged to a society carrying on no business other than industrial assurance business, and not being liable for any contracts of the society for which it would not have been liable had the business of the society been only that of industrial assurance, and not being applied directly or indirectly for any purposes other than those of the industrial assurance business of the society, so however as not to affect the liability of that fund to the prejudice of persons interested in contracts entered into by the society before the fourteenth day of February, nineteen hundred and twenty-three;

(*c*) for separate valuations being made of the industrial assurance business of the society.

Sub-s. 1 in effect applies to collecting societies the provisions as to separation of funds, which by the Assurance Companies Act, 1909, s. 3, are applicable to industrial assurance companies. Cf. F. S. A., s. 9 (3), Sch. I., 10.

(2) Save as otherwise provided by the rules of a collecting society, being rules registered before the fourth day of August, nineteen hundred and twenty-one—

(*a*) the rules of a collecting society shall contain the tables in accordance with which policies of industrial assurance are issued by the society; and

(*b*) no policy shall be issued by a collecting society otherwise than in accordance with the rules of the society and with the tables for the time being in force as set forth in those rules.

The exception applies only to a very few societies.

(3) Such of the provisions of this Act as are mentioned in the First Schedule to this Act shall be set forth in the rules of every collecting society.

For Sch. I., see p. 353. This sub-s. appears to impose on every collecting society existing at the passing of this Act the obligation of amending its rules so as to comply with the sub-s., for the non-compliance with this sub-s. is an offence under the Act: s. 39.

Obligation to deliver policies and copies of rules.

9.—(1) A collecting society shall deliver free of charge to every person on his becoming a member of or insuring with the society a printed policy signed by two of the committee of management and by the secretary, together with a copy of the rules of the society in force at the time:

Provided that—

(*a*) in the case of a family enrolled in one book or card, one family policy and one copy of the rules shall be sufficient;

(*b*) if the rules of the society in force at the time of the issue of the policy are printed in easily legible type on the policy, it shall not be necessary to deliver a copy of the rules in addition to the policy.

Ss. 9, 10.

(2) A collecting society shall also supply to any such person at his request free of charge a copy of any subsequent amendment of the rules of the society.

(3) A collecting society shall also deliver to any member or other person on demand and on payment of a sum not exceeding one shilling, a copy of the rules of the society in force at the time.

This section apparently draws a distinction between the members and persons assured, a distinction which in a collecting society does not appear to exist: see note to s. 19 (1). As to proposals for policies, see s. 20.

Form of policy.

No particular form of policy is prescribed by the Act, which provides only by this section for the manner in which the policy shall be authenticated by the society and by s. 21, for the setting out therein of certain provisions of the Act or the effect thereof. The policy of a collecting society is exempt from stamp duty: F. S. A., s. 33. The Policies of Assurance Act, 1867 (30 & 31 Vict. c. 144), does not apply to any engagement for payment on death by any friendly society (s. 8), but *quœre* whether it applies to endowment policies issued by a collecting society: see *Prudential Insurance Co.* v. *Inland Revenue Commissioners*, (1904) 2 K. B. 658.

For the definition of "committee," see F. S. A., s. 106.

If the rules of the society are printed on the policy, it will, if a policy of industrial assurance, comply with the provisions of s. 21 provided that ss. 23, 24 and 41, which must be contained in the rules, are printed in distinctive type, and if it is a policy on a child under ten, the effect of F. S. A., s. 62, is also set out in distinctive type.

Exemptions, total and partial.

10.—(1) The Commissioner may, on the application of a society registered or applying for registry, grant to the society a certificate of exemption from all or any of the provisions of this Act, in any case where he is satisfied that the society does not or will not carry on the business of effecting assurances upon human life, premiums in respect of which are received by means of collectors at a greater distance than ten miles from the registered office of the society, and where he is of opinion

that the society is not one to which those provisions ought to apply.

(2) A certificate of exemption under this section shall be granted subject to the condition that the society will not employ collectors to receive premiums on policies issued by the society at a greater distance than ten miles from the registered office of the society, and, if in the case of any society to which a certificate of exemption has been so granted, the said condition is at any time not complied with, the society and any collector so employed shall be deemed to have contravened the provisions of this Act, and this Act shall be deemed as from the date of such non-compliance to have applied to the society as if no such certificate of exemption had been granted to it.

(3) The certificate shall be subject to revocation by the Commissioner, but shall remain in force until so revoked, and until notice of the revocation has been advertised in the Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society, and also transmitted by registered letter to the society.

(4) Where at the commencement of this Act there is in force a certificate of exemption issued under section eleven of the Collecting Societies and Industrial Assurance Companies Act, 1896, or the corresponding provision of any Act repealed by that Act, the certificate shall, after the commencement of this Act, continue in force until revoked and have effect as if it were a certificate issued under this section exempting the society from all the provisions of this Act.

59 & 60 Vi c. 26.

Sub-s. 1 re-enacts in substance the provision as to exemption contained in the C. S. A., s. 11, and the corresponding provision of the F. S. A., 1889, but owing to the alteration in the definition of a collecting society the effect is different. Under the former Acts the societies to which certificates of exemption were granted were in almost all cases societies which, by reason of the decision in *Joyce* v. *Northumberland Miners' Friendly Society* (1888),

Ss. 10, 11.

4 T. L. R. 525, were technically collecting societies within the meaning of the former Acts, although they did not do ordinary collecting society business. Such societies are not collecting societies within the new definition, and consequently sub-s. 4, which preserves the effect of certificates of exemption under the former Acts, is almost unnecessary.

Exemption from the whole Act is only granted in cases of societies to which the Act as a whole is really not applicable, but there have been considerable differences in the amount of exemption given in individual cases, *e.g.*, small societies have been spared the expense and trouble of printing the additional rules under s. 8, whilst special cases have been those of societies granting combined sickness and death assurances to which some of the provisions of the Act could not conveniently be applied, and societies issuing family policies.

Distance.

A society to be entitled to exemption must not receive contributions at a greater distance than ten miles from its registered office. In the measurement of any distance for the purposes of any Act, that distance shall, unless the contrary intention appears, be measured in a straight line on a horizontal plane: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 34. The ten miles limit must therefore be measured "as the crow flies," and the distance should be measured on a map: cf. *Mouflet* v. *Cole* (1872), L. R. 8 Ex. 32, 36.

The fee on every application or request for a certificate of exemption under this section is 5*l*. (p. 347).

Special provision as to juvenile societies.

11.—(1) Where a juvenile society within the meaning of this section established before the passing of this Act has been accustomed to receive contributions from its members by means of collectors, the provisions of this Act shall not apply to the society before the first day of January, nineteen hundred and twenty-five, and, if any such society is or has before that date become registered, the Commissioner may, if he considers that the society is one to which the provisions of this Act ought not to apply, grant to the society a certificate of exemption from the provisions of this Act subject to the like power of revocation as in the case of certificates of exemption granted under the last preceding section.

(2) For the purposes of this section, "juvenile society" means a friendly society or branch thereof, whether registered or unregistered, admission to membership whereof is by its rules limited to persons under eighteen years of age, and which satisfies the Commissioner that it is established for the purpose of recruiting members for another friendly society or for the society of which it is a branch.

The fee on application or request for a certificate of exemption under this section is 2*l*. (p. 347).

A registered juvenile society, whether established before June 7th, 1923, or not, is not precluded by this section from applying for exemption under s. 10 if it collects only within the ten mile limit.

Special Provisions as to Industrial Assurance Companies.

Application of Act of 1909 to industrial assurance companies.

12.—(1) Industrial assurance business shall, for the purposes of the Assurance Companies Act, 1909, be treated as a separate class of assurance business, and accordingly a separate deposit shall be made in respect of that business as required by section two of that Act.

The deposit to be provided in respect of industrial assurance business is made on the warrant of the Commissioner: sub-s. 2; A. C. A., s. 2 (5). The Commissioner may refuse to issue his warrant: sub-s. 3 (d).

(2) In relation to industrial assurance business, anything which under the Assurance Companies Act, 1909, is required or authorised to be done to, by, or with the Board of Trade or the President of the Board of Trade shall or may be done to, by, or with the Commissioner and the provisions of that Act shall have effect accordingly:

Provided that, where the company transacts other business besides that of industrial assurance business, nothing in this subsection shall affect the powers and duties of the Board of Trade or the President of the Board of

S. 12. Trade under the said Act in relation to that other class of business; and, where any document required under the said Act to be sent to the Board of Trade relates both to industrial assurance business and to other assurance business, the document shall be sent both to the Commissioner and to the Board of Trade.

(3) In its application to industrial assurance business the Assurance Companies Act, 1909, shall have effect subject to the following modifications:—

(*a*) The provisions relating to life assurance business shall apply also to industrial assurance business with the substitution of references to "industrial assurance business" and "the industrial assurance fund" for references to "life assurance business" and "the life assurance fund":

(*b*) Where any expenses of management, or interest or dividends from investments, or sums on account of depreciation of securities, are apportioned between the industrial assurance business and any other business transacted by the company the auditor shall include in his report a special report as to the propriety or otherwise of the apportionment:

(*c*) A copy of every report of the auditor of the company shall be furnished to the Commissioner:

As to the audit of the accounts of a company, see A. C. A., s. 9. The accounts and funds of the industrial assurance of a company must be kept separate from the other accounts and funds of the company: A. C. A., s. 3. The following form of certificate by the auditors has been assented to by the Commissioner:—"The expenses of management, interest and dividends from investments and sums on account of depreciation of securities appearing in the foregoing accounts have been apportioned between the industrial assurance business and the other business of the company, and we are satisfied as to the propriety of the apportionment."

(*d*) The Commissioner may refuse to issue a warrant for a deposit under section two of the said Act if he considers that it is inexpedient that the company should be authorised to carry on industrial assurance business, but in the case of such refusal the company may appeal to the court, and the Commissioner shall be entitled to appear and be heard on any such appeal:

Paragraph (d) empowers the Commissioner to prevent a company from commencing to carry on industrial assurance business, subject to the right of the company to appeal to the Court: cf. s. 7 (1) (d). As regards other insurance business which a company proposes to undertake, no such discretion is given to the Board of Trade under the A. C. A., 1909.

(*e*) On a petition under section thirteen of the said Act (which relates to the amalgamation of companies and the transfer of business from one company to another) the Commissioner shall be entitled to be heard, and on any such hearing the Commissioner may apply to the court to exercise its powers under paragraph (*b*) of subsection (3) of that section of directing that the requirements of that paragraph shall be dispensed with or modified:

As to the reports and valuations which should be before the Court on the application, see *Re Hearts of Oak Life and General Assurance Co.*, (1914) W. N. 172.

As to dispensing with notice to policy holders, see *Re City of Glasgow Life Assurance Co.* (1913), W. C. & Ins. Rep. 475; *Re Hearts of Oak and Life and General Assurance Co.* (1914), 58 S. J. 433.

(*f*) On any such petition, any class of persons (including employees of any company concerned) who allege that they are adversely affected by the amalgamation or transfer, shall be entitled to appear and to be heard:

Ss. 12—14.

(*g*) The independent actuary referred to in paragraph (*b*) of subsection (3) of the said section thirteen shall be appointed by the President of the Institute of Actuaries or by the President of the Faculty of Actuaries in Scotland on the application of the Commissioner and shall make his report to the Commissioner, by whom copies thereof shall be sent to each company concerned in the amalgamation or transfer, and each such company shall, unless the court otherwise directs, transmit copies thereof to the owner of each policy of the company in manner provided by that section:

(*h*) The said section thirteen shall apply to any transfer from one company to another, howsoever effected, of the liabilities or of any of the liabilities arising in respect of industrial assurance business in like manner as if such transfer were a transfer of the industrial assurance business.

See also s. 37 as to transfer of industrial assurance business from a company to a collecting society.

Prohibition of charges on industrial assurance fund.

13. An industrial assurance company shall not, after the commencement of this Act, issue any debentures or debenture stock, or raise any loan, charged or purporting to be charged on any assets of the company in which the industrial assurance fund is invested, and any such charge shall be void:

Provided that this section shall not apply to a temporary bank overdraft.

The issue of any debentures, &c. or raising any such loan as is prohibited is an offence under the Act: s. 39 (2). It is not clear what is the latitude allowed by the proviso.

Act to have effect notwithstanding

14. The provisions of this Act shall have effect notwithstanding anything in the memorandum or articles

of association or rules or special Act of any industrial assurance company:

memorandum, articles or special Act

Provided that nothing in this Act shall affect the liability of the industrial assurance fund or of the life assurance fund in the case of a company established before the commencement of this Act to the prejudice of persons interested in contracts entered into by the company before that date.

The rights of holders of policies of industrial assurance effected before January 1st, 1914, against the funds of the company are protected by this section, and are not prejudiced by anything in this Act.

Accounts, Returns, Inspection, Valuations, Meetings.

Balance sheets and audit.

15.—(1) A copy of every balance sheet of a collecting society shall, during the seven days next preceding the meeting at which the balance sheet is to be presented, be kept open by the society for inspection at every office at which the business of the society is carried on, and shall be delivered or sent by post to any member or person interested in the funds of the society, on demand.

(2) The audit of accounts required by section twenty-six of the Friendly Societies Act, 1896, shall, in the case of a collecting society, be made by a public auditor appointed under that Act, and, if such accounts have not been so audited, the provisions of section twenty-seven of that Act requiring an annual return of the receipts, expenditure, funds and effects of the society as audited shall be deemed not to have been complied with.

This section replaces C. S. A., s. 6, but in sub-s. 1 the words "or person interested in the funds of the society" are new, and sub-s. 2 requires the audit now to be conducted by a public auditor, and not merely, as heretofore required, by a person carrying on publicly the business of an accountant.

As to audit and annual returns, see F. S. A., ss. 26, 27 (pp. 68, 71). The annual return of a collecting society is

Ss. 15—17.

made on a special form. The Commissioner has power to reject the accounts and direct them to be amended: s. 16 (1).

Non-compliance with the requirements of this section is an offence under the Act: s. 39.

Annual accounts and returns.

16.—(1) The Commissioner, after considering any representations made by or on behalf of the society or company affected, may, if it appears to him that any account, return, or balance sheet sent by a collecting society or an industrial assurance company in pursuance of the Friendly Societies Act, 1896, or the Assurance Companies Act, 1909, is in any particular incomplete or incorrect, or does not comply with the requirements of the Act applicable to the case, reject the account, return, or balance sheet and give such directions as he thinks necessary for the variation thereof.

(2) Where any direction so given entails a consequential alteration of any account, return, or balance sheet sent by an industrial assurance company to the Board of Trade, it shall be the duty of the company to make such consequential alteration therein.

The accounts of the industrial assurance business of a company have to be sent to the Commissioner: A. C. A., s. 7, and s. 12 (*ante*, pp. 267, 297).

Sub-s. 1, in relation to industrial assurance business, gives the Commissioner larger powers of rejecting, and requiring amendment of the accounts, returns, and balance sheets, than that conferred on the Board of Trade by A. C. A., s. 7 (2).

See A. C. A., s. 7 (1), as to the accounts, returns, and balance sheet to be sent to the Board of Trade by a company in respect of business other than industrial assurance business.

Failure to comply with the directions given by the Commissioner is an offence under the Act: s. 39.

Inspection.

17.—(1) If, in the case of any collecting society or industrial assurance company, in the opinion of the Commissioner there is reasonable cause to believe that an offence against this Act or against the Friendly Societies

Act, 1896, or the Assurance Companies Act, 1909, has been, or is likely to be committed, the Commissioner or any inspector appointed by him for the purpose shall have power to examine into and report on the affairs of the society or company, and for that purpose may exercise in respect of the society or company all or any of the powers given by subsection (5) of section seventy-six of the Friendly Societies Act, 1896, to an inspector appointed under that section. S. 17.

(2) On himself holding such an inspection or on receiving the report of an inspector so appointed the Commissioner may issue such directions and take such steps as he considers necessary or proper to deal with the situation disclosed therein and in particular may in the case of a society award that the society be dissolved and its affairs wound up, and in the case of a company may present a petition to the court for the winding up of the company.

Under the F. S. A., s. 76, the chief registrar can only inspect the affairs of a society on the application of a proportion of the members, and, moreover, when he has inspected, has no power of enforcing his requisitions, and the Board of Trade has no effective power of inspection of an industrial assurance company. This section enables the Commissioner in the case of a collecting society or industrial assurance company to have an inspection in a manner similar to that provided by F. S. A., s. 76, whenever he thinks the society or company is contravening the Acts, and after the inspection to take such steps as he thinks proper to meet the situation, or to wind up the society, or to take steps to have the company wound up. As to the manner of making and the consequences of an award, see F. S. A., s. 80, and the Commissioner may also direct a division or appropriation of the assets of the society: s. 45 (2). An award winding up a society may be appealed against: s. 45 (2).

(3) The Commissioner may, if he considers it just, direct that all or any of the expenses of and incidental or preliminary to an inspection under this section shall be

Ss. 17, 18.

defrayed out of the funds of the society or company, or by the officers or former officers, or members or former members of the committee of management or board of directors of the society or company, or any of them in such proportions as the Commissioner directs and sums directed by him to be so paid shall be recoverable by him summarily as a civil debt: Provided that any society or company or person directed to pay any part of such expenses may, with the leave of the court, appeal against the direction to the High Court, or in the case of a society or company registered in Scotland to the Court of Session.

Sub-s. 3 is similar to F. S. A., ss. 76 (4), 91 (3), but confers a right of appeal, subject to leave of the Court, against a direction of the Commissioner for payment of expenses. An appeal from the direction of the Commissioner is regulated by R. S. C., Ord. LVB, rr. 49—58.

(4) This section shall come into operation on the passing of this Act.

Provisions as to valuations.

18.—(1) In the case of a collecting society or industrial assurance company, the following provisions shall have effect with regard to every valuation made as at the thirty-first day of December, nineteen hundred and twenty-four, or any later date:—

(*a*) The valuation shall be made by an actuary as defined by the Assurance Companies Act, 1909, as modified by this Act;

(*b*) The basis of valuation adopted shall be such as to place a proper value upon the liabilities, regard being had to the mortality experience among the persons whose lives have been assured in the society or company, to the average rate of interest from investments and to the expenses of management (including commission), and shall be such as to secure that no policy shall be treated as an asset;

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(*c*) The report containing the abstract of the result of the valuation required by section twenty-eight of the Friendly Societies Act, 1896, to be sent shall be sent by a collecting society to the Commissioner within twelve months after the close of the period to which the valuation relates, and shall contain a statement as to how the values of stock exchange securities (if any) included in the balance sheet are arrived at, and a certificate, signed by the same persons as sign the balance sheet, to the effect that in their belief the assets set forth in the balance sheet are in the aggregate fully of the value stated therein less any investment reserve fund taken into account;

(*d*) Where the balance sheet of a society or company includes amongst the assets thereof any sums representing expenses of organisation or extension, or the purchase of business or good will, and the amount of the assets, exclusive of such sums (after deducting debts due by the society or company other than debentures and loans), is less than the amount of the industrial assurance fund, or, as the case may be, of the several assurance and insurance funds as shown in that balance sheet, the amount of the industrial assurance fund shown in the valuation balance sheet shall be reduced by the amount of the deficiency, or, as the case may be, by a sum bearing such proportion to that deficiency as the amount of the industrial assurance fund shown in the first-mentioned balance sheet bears to the aggregate amount of all the assurance and insurance funds so shown:

Provided that in the cases hereinafter mentioned this paragraph shall, during such periods as are hereinafter mentioned, apply to societies

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and companies subject to such relaxations of the stringency of the provisions thereof as the Commissioner may think just; that is to say—

(i) in the case of a society or company in the balance sheet of which last issued before the passing of this Act any such sums as aforesaid were included, for a period of seven years after the passing of this Act;

(ii) in the case of a society or company which, after the date as at which the balance sheet last issued before the passing of this Act was made up, has under an amalgamation or transfer of engagements become liable for the engagements of any other society or company and has in consideration thereof accepted assets which include any such sums as aforesaid, or has in connection therewith incurred expenditure by way of purchase of business or good will, for a period of seven years after the thirty-first day of December next following the date of amalgamation or transfer of engagements;

(*e*) Where debentures have been issued or loans raised which are charged on any of the assets of the company in which the industrial assurance fund is invested, there shall be inserted in the valuation balance sheet a note giving the particulars of the charge and stating that the result shown by the valuation is subject to the liability under the charge;

(*f*) The Commissioner, if satisfied on any valuation that any of the foregoing provisions of this section have not been complied with, or that the industrial assurance fund as stated in the valuation balance sheet is greater than the value of the assets available for the liabilities of that

fund, due regard being had to the other liabilities of the society or company and to the foregoing provisions of this section, may reject the valuation, and may direct the society or company to make such alteration therein as may be necessary to secure compliance with those provisions:

Provided that the society or company may appeal to the High Court, or in the case of a society or company registered in Scotland to the Court of Session, against any decision of the Commissioner under this paragraph;

(*g*) The Commissioner may direct any collecting society or industrial assurance company to furnish to him, in addition to such information as the society is required to furnish under section twenty-eight of the Friendly Societies Act, 1896, or the company is required to furnish under the Assurance Companies Act, 1909, all or any of such particulars as are mentioned in the Second Schedule to this Act, and such explanations as he may consider necessary in order to satisfy himself whether the valuation complies with the provisions of this section.

This section makes important alterations with the object of ensuring that valuations shall be properly made and on a sound basis, and that if the valuation so made discloses an unsound position, the industrial assurance business of the society or company may be terminated.

In paragraph (a) actuary, as defined by the A. C. A., s. 29, means an actuary possessing such qualifications as may be prescribed by rules made by the Board of Trade: the modification referred to is effected by s. 12 (2), which, in relation to industrial assurance business, substitutes the Commissioner for the Board of Trade. The Industrial Assurance (Deposits, &c.) Rules, 1923, r. 10, prescribes the qualifications of an actuary for the purposes of this section: see p. 488.

Paragraph (c) extends the F. S. A., s. 28 (see p. 72), by

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limiting a time within which a valuation must be sent by a society, and the failure to do so is an offence under the Act: s. 39.

The debentures or loans referred to in paragraph (e) must have been issued or raised before January 1st, 1924, as the issue or raising of any such debentures or loan after that date is prohibited by s. 13.

Paragraph (g) enables the Commissioner to call for the additional particulars set out in Sch. II. (p. 354). Which, if any, of these particulars will be called for cannot be determined until the valuation has been submitted, and it will therefore be prudent for every society and company to put and keep itself in a position to supply all or any of them.

(2) Notwithstanding anything in section twenty-eight of the Friendly Societies Act, 1896, or section five of the Assurance Companies Act, 1909, the first valuation under this Act shall, in the case of any collecting society and industrial assurance company, be made as at a date not later than the thirty-first day of December, nineteen hundred and twenty-five.

(3) If in the case of a collecting society or industrial assurance company a valuation, whether made before or after the passing of this Act, discloses a deficiency, the Commissioner may, if after investigation he is satisfied that the society or company should cease to carry on industrial assurance business, award that the society be dissolved and its affairs wound up, or, in the case of a company, present a petition to the Court for the winding-up of the company:

Provided that the Commissioner shall not, during the first five years after the passing of this Act, take action under this subsection if he is satisfied that substantial measures are being taken to improve the financial condition of the society or company.

A society may appeal against an award made under sub-s. 3: s. 45 (2). Any such appeal or an appeal against a decision under sub-s. 1 (f) is regulated by R. S. C., Ord. LVB, rr. 49—58.

General meetings.

19.—(1) At least one general meeting of every collecting society and industrial assurance company shall be held in every year.

(2) Except where the day, hour, and place of an annual or other periodical meeting is fixed by the rules, notice of every general meeting shall either be given by the society or company to the members by advertisement to be published at least twice in two or more of the newspapers in general circulation in every county where the society or company carries on business, or be served upon every member.

(3) The notice shall specify the day, hour, and place, and the objects of the meeting, and, in case any amendment of a rule is intended to be proposed, shall contain a copy of every such amendment.

(4) The society or company shall publish the last of such advertisements, or serve such notice as aforesaid, at least fourteen days before the day appointed for the meeting, and shall, during those fourteen days, keep a copy of the notice in legible characters affixed in some conspicuous place in or outside every office at which the business of the society or company is carried on.

Meetings of members.

This section provides only for a meeting of the members of a society or company. In a collecting society the members and the assured are the same, and the latter have, theoretically at any rate, some power of controlling the affairs of the society; but in an industrial assurance company the members are the shareholders, and there are no statutory provisions for meetings of the assured, who are not necessarily members, and in general have no voice in the management of the company.

"Every year" must mean "every calendar year," *i.e.*, the period of time commencing on the 1st of January and ending on the 31st of December, and not the period of twelve months from the registration of the society or company: cf. *Gibson* v. *Barton* (1875), L. R. 10 Q. B. 329. The offence of not holding a meeting in the calendar year is not committed until after December 31st in that year: *Smedley* v. *Registrar of Companies.* (1919) 1 K. B. 97.

Notice of meetings.

If the particulars of the annual and other general meetings are

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specified in the rules, each member of a collecting society has notice of them, as by s. 9 he must have a copy of the rules of the society. "Rules" in relation to a company mean its memorandum and articles of association: s. 45 (1).

"County" includes a county of a city and a county of a town, and in Scotland any stewartry: Interpretation Act, 1889 (52 & 53 Vict. c. 63), ss. 4, 7.

Notices which are served upon the members must be served in the manner prescribed by s. 41 (p. 343).

The rules of a collecting society provided that amendments should be made with the consent of a majority of the delegates present at a general meeting of the society specially called for that purpose; a meeting of the delegates purported to alter the rules, no notice of the meeting having been given as provided by this section. It was contended by the plaintiff that the word "member" in the section meant a contributor to the funds of the society for prospective benefit, and by the society that it meant a delegate, and it was held that the former contention was correct, and that the meeting was not properly convened, the actings of the delegates were invalid, and the amendments were not legally made: *Pitman* v. *City of Glasgow Friendly Society* (1914), Glasgow Herald, January 15th.

Conduct of meetings.

There is no power to postpone a general meeting properly convened: see *Smith* v. *Paringa Mines*, (1906) 2 Ch. 193. No business can be transacted at the meeting and no amendment (which includes addition or omission: F. S. A., s. 106) made in the rules unless specified in the notice. As to the duties of the chairman of the meeting, see p. 176.

The rules of a collecting society fixed the day, hour, and place of the annual meeting and allowed its adjournment to London, and notice of the adjournment was to be given by advertisement, and copies of the advertisements containing a statement of the business to be transacted were to be exhibited in the offices of the society: it was held that these rules were not in conflict with this section, and that it was not essential that the published advertisements should contain a statement of the business to be transacted, although the copies exhibited in the offices must contain such a statement: *Kirsopp* v. *Highton* (1912), 28 T. L. R. 493.

Length of notice.

"At least fourteen days before" means fourteen clear days between the publication of the advertisement or service of the notice calling the meeting and the day of the meeting, and the notice so given is sufficient, although it may not actually reach

any member until some days afterwards: *Mercantile Investment and General Trust Co.* v. *International Co. of Mexico,* (1893) 1 Ch. 484, n., 489, n.

Rights of Owners of Policies.

Provisions as to proposals for policies.

20.—(1) Every proposal for an industrial assurance policy shall, except—

(*a*) where the policy is taken out on the life and on behalf of a child under the age of sixteen; or

(*b*) where the policy assures a payment of money for the funeral expenses of parent, child, grandparent, grandchild, brother, or sister; or

(*c*) where the person whose life is to be assured under the policy is a person in whom the proposer has an insurable interest;

contain a declaration by the person whose life is to be assured that the policy is to be taken out by him, and that the premiums thereon are to be paid by him.

Premium includes "contribution": s. 45.

Where the person whose life is to be assured under the policy is a person in whom the proposer has an insurable interest, the proposal shall contain a statement of the nature of that interest.

(2) A collecting society or industrial insurance company shall not, nor shall any collector or agent of such a society or company, issue a proposal form or accept a proposal which does not comply with the foregoing provisions of this section.

(3) If the proposal contains a statement that the person whose life is proposed to be assured is not at the time of making the proposal a person on whose life another policy has been issued by the society or company, and a policy is issued in pursuance of the proposal, the society or company shall be liable under the policy, notwithstanding that the statement is not true, and the truth of the statement is made a condition of the policy.

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(4) If a proposal form for an industrial assurance policy is filled in wholly or partly by a person employed by the society or company, the society or company shall not, except where a fraudulent statement in some material particular has been made by the proposer, be entitled to question the validity of the policy founded on the proposal on the ground of any misstatement contained in the proposal form:

Provided that—

(*a*) if the proposal form contains a misstatement as to the age of the person whose life is proposed to be assured, the society or company may so adjust the terms of the policy, or of any policy which may be issued in substitution or in lieu thereof, as to make them correspond with the terms which would have been applicable if the correct age of the person had been originally inserted in the proposal;

(*b*) where but for this subsection the validity of a policy could have been questioned on the ground of any misstatement in the proposal form relating to the state of health of the person upon whose life the assurance is to be taken out at the date of the proposal, nothing in this subsection shall prevent such a question being raised, if raised within two years from the date of the issue of the policy founded on the proposal.

This section embodies most of the recommendations of the departmental committee excepting the recommendation of a statutory form of proposal.

Sub-s. 1 is directed to prevent insurances of persons in whose life the person effecting the policy has no insurable interest, unless the policy is either effected (a) on and on behalf of a minor under sixteen, or (b) under s. 3, or (c) by reason of an insurable interest in the life assured, in which case the interest must be disclosed. As to insurable interest, see p. 141. It seems only necessary to

state the nature of the insurable interest in general terms. This last class of policy is apparently not issuable by a collecting society.

By sub-s. 2 the responsibility of seeing to the observance of these provisions is thrown on the society or company and their agents, and the failure to do so is an offence under the Act: s. 39.

Sub-s. 3 overrides the decision in *Marcovitch* v. *Liverpool Victoria Legal Friendly Society* (1912), 28 T. L. R. 188.

Sub-s. 4 in effect provides that an agent of a society or company who fills up a proposal form is to be regarded as an agent for the society or company and not for the proposer, so that the society or company cannot question the validity if a policy founded thereon, except where a fraudulent statement is made by the proposer, subject to the right of the society or company to adjust the terms of the policy where there has been a mistake as to age, or to question the accuracy of any statement as to the health of the assured within two years of the date of the policy. This sub-sect. modifies, as regards industrial assurance, the general rule of law that an agent of a society or company who fills up a proposal form is deemed to be the agent of the proposer unless the statements are false to the knowledge of the agent. The sub-sect. has to be set out in a policy of industrial assurance: s. 21.

Proposals fo policies.

If a policy is expressed to be founded upon a proposal in writing and stipulates that the policy shall be void if the proposal contains any untrue statement, and it happens that the alleged proposal was not, in fact, signed by the assured, who had no knowledge of the contents, nor authorised any statement therein, the assurance company cannot rely on a false statement in the alleged proposal as avoiding the policy: *Pearl Life Assurance Co.* v. *Johnson,* (1909) 2 K. B. 288, but it is otherwise if the proposal has, in fact, been signed by the assured, notwithstanding that he had not authorised any misstatement therein, and not having read it was unaware of its contents: *Biggar* v. *Rock Life Assurance Co.*, (1902) 1 K. B. 516.

If the policy is stated to be founded on a signed proposal, when as a fact there is no such document, the company, by issuing the policy and receiving the premiums, is estopped from contending that in consequence of the want of a proposal there is no contract, and the mere admission of the assured that there is no such proposal does not preclude him from taking the benefit of that estoppel: *Pearl Life Assurance Co.* v. *Johnson,* (1909) 2 K. B. 288.

S. 21. Forms of policies.

21.—(1) A policy of industrial assurance issued after the commencement of this Act shall set out the provisions of this Act mentioned in the Third Schedule to this Act, such of those provisions as are contained in Part II. of that Schedule being printed in distinctive type, and in the case of a policy on the life of a child under ten years of age shall also set out in distinctive type a statement of the effect of section sixty-two of the Friendly Societies Act, 1896:

Provided that the policy may, if the Commissioner consents, in lieu of setting out the said provisions of this Act, contain a statement which, in the opinion of the Commissioner, sufficiently sets forth the effect of those provisions.

(2) Where a policy of industrial assurance issued after the commencement of this Act does not comply with the provisions of this section, the society or company effecting the insurance shall be guilty of an offence against this Act, and shall, without prejudice to any other liability be liable to pay to the person by whom the premiums have usually been paid a sum equal to the amount of the premiums paid, which sum shall be recoverable summarily as a civil debt.

This section carries out the recommendation of the departmental committee that policies of industrial assurance should embody all the provisions of the law relating to companies and societies which it is material the policy holder should know that the provisions regarding lapse should be printed in some particularly distinctive way, and that they should show that policy holders have the right of recourse either to the chief registrar or the county court or a court of summary jurisdiction. Except to the extent provided for by this section, the Act does not prescribe any form of policy. For Sch. III., see p. 355, and F. S. A., s. 62, see p. 137. As to policies of a collecting society, see s. 9.

The Commissioner has prepared a model statement setting forth the effect of the provisions required to be set out in a policy (see p. 355), and this statement, which is now in common use, may be set out in the policy instead of the actual sections.

22. If at any time a collecting society or industrial assurance company, or any person employed by such a society or company, take possession of a policy or premium receipt book or other document issued in connection with a policy, a receipt shall be given, and the policy book or document shall be returned to the owner of the policy within twenty-one days, unless the policy has been terminated by reason of satisfaction of all claims capable of arising thereunder:

Return of policies and premium receipt book after inspection.

Provided that, where possession is taken of a policy, book or document for the purpose of legal proceedings to be taken by the society or company that issued the policy against a collector, it shall be lawful for the society or company to retain the policy, book or document so long as may be necessary for the purposes of those proceedings, but in that case if the policy, book or document is retained for more than twenty-one days, the society or company shall supply to the owner of the policy, a copy thereof certified by the society or company to be a true copy.

This section has to be set out in a policy of industrial assurance: s. 21.

Premium receipt book includes any book or document held by the owner of a policy in which acknowledgments of receipts of premiums payable in respect of the policy are entered: s. 45.

Breach of this section is an offence under the Act: s. 39. It is not clear what is the liability of a person employed by a society or company who being authorised by the society or company takes possession of a document mentioned in the section and sends it to the society or company which fails to return it: it would seem that the liability would be limited to cases where he retains possession of the document.

23.—(1) A forfeiture shall not be incurred by any member or person assured in a collecting society or industrial assurance company by reason of any default in paying any premium until after—

Notice before forfeiture.

(*a*) notice stating the amount due from him, and informing him that in case of default of payment

S. 23.

by him within twenty-eight days and at a place to be specified in the notice his interest or benefit will be forfeited, has been served upon him by or on behalf of the society or company; and

(*b*) default has been made by him in paying any premium in accordance with that notice.

(2) This section shall extend to contracts of assurance effected by a collecting society before the commencement of this Act which are not contracts of industrial assurance within the meaning of this Act.

This section re-enacts the C. S. A., s. 3, with an amendment allowing twenty-eight days instead of fourteen days before default occurs, but the section only applies to the industrial assurance policies of societies issued after January 1st, 1924, though it applies to all policies of whatever kind of such a society issued before that date: it applies only to the industrial assurance policies of companies of whatever date. The section has to be set out in distinctive type in a policy of industrial assurance: s. 21.

The effect of the section is, that a member, however much in arrear, must be served (see s. 41, *post*) with the statutory notice, and allowed twenty-eight days in which to pay up his arrears of premium before he can be excluded from the society and his benefit forfeited, and even so, if the forfeiture occurs on or after 7th June, 1928, he may within one year from the service of the notice obtain a paid-up policy, or, in some cases, the surrender value of the policy: s. 24. A forfeiture is not waived by the acceptance of a portion of the arrears during the days of grace: *Re Conlon and Britannic Assurance Co.* (1924), R. I. A. C. 102.

The period during which payment may be made to save the default is exclusive of the day on which the notice is served: *Radcliffe* v. *Bartholomew*, (1892) 1 Q. B. 161.

A rule of a society incorporated the like provision of the C. S. A., and provided that a member changing his residence should inform the collector, and if he became in arrear, in consequence of neglect to give such information, he should forfeit all claim to benefit. A member, who had to contribute for twenty-six weeks to obtain a benefit, contributed for eleven weeks and then changed his residence; the collector did not

call, and no further contributions were made; when he died, more than twenty-six weeks after commencing to contribute, his widow claimed the benefit she would have been entitled to had the payments been continued, and that she was entitled to be relieved against forfeiture, but it was held that the alleged default of the society could not put the claimant in a better position than she would otherwise have been through non-payment of the necessary number of contributions, which was the only condition upon which the right to a benefit could arise: *Taylor* v. *Collins* (1882), 46 L. T. 168.

A registered society whose head office was in Glasgow carried on business in Dublin. The society sent a notice from the head office to a person residing in Dublin and assured with the society, requiring him to pay the premium "at the chief office here or to our local agent," who was named in the notice and to whom the assured usually paid the premiums. On the last day named in the notice the assured attended at the local agency to pay, but the office was closed. It was held that if the words "our local agent" had been omitted the notice would have been valid notwithstanding that payment was directed in Scotland and not in Ireland, and that the words "or to our local agent" being added in ease of the assured gave him the option of payment to a particular person and not at an alternative place, and that payment not having been made according to the notice the policy had been rightly forfeited: *Geoghegan* v. *Campbell* (1907), 41 Ir. L. T. R. 58. Sub-s. 2 removes the doubt expressed in *Geoghegan* v. *Campbell* whether sub-s. 1 applies to an assurance with a collecting society where the premiums are payable half-yearly if such assurance has been effected before 1st January, 1924.

The issue of a subsequent forfeiture notice operates as a waiver of a previous forfeiture notice: *Re McClure and Salvation Army Assurance Society* (1924), R. I. A. C. 98.

In a case of a policy on which a premium of 2*s*. 11*d*. became due on November 5th and December 3rd, a lapse notice under the C. S. A., dated and posted on December 3rd, allowed sixteen days for payment, and stated the amount due as 5*s*. 10*d*., and it was held by the Commissioner that, as under the circumstances the notice could not have been delivered before December 4th, it correctly stated the amount due when it was served, and as it allowed sufficient days of grace from the day of service, the notice was good: *Re Franks and Britannic Assurance Co.* (1924), R. I. A. C. 101.

Ss. 23, 24.

If a member or person assured is transferred from one society or company to another the former ceases to be liable on its policy, and no notice of forfeiture need be given: s. 26 (4).

Provisions as to forfeited policies.

24.—(1) Where notice of the forfeiture of a policy of industrial assurance by reason of default in the payment of any premium thereunder has been served on the owner of the policy, then if the policy—

(*a*) is a policy for the whole term of life or for a term of fifty years or upwards, the person whose life is assured under which is a person who is at the time of such default over fifteen years of age, and upon which not less than five years' premiums have been paid; or

(*b*) is a policy for a term of twenty-five years or upwards, but less than fifty years, upon which not less than five years' premiums have been paid; or

(*c*) is a policy for a term of less than twenty-five years upon which not less than three years' premiums have been paid;

the owner of the policy shall, on making application for the purpose to the collecting society or industrial assurance company within one year from the date of the service of the notice, be entitled—

(i) to a free paid-up policy for such amount as is hereinafter mentioned payable upon the happening of the contingency upon the happening of which the amount assured under the original policy would have been payable or of any other contingency not less favourable to the owner of the policy; or

(ii) if the owner of the policy is permanently resident or submits satisfactory proof of his intention to make his permanent residence outside Great Britain, the Isle of Man and the Channel Islands, or if the person whose life is assured has disappeared and his existence is in doubt,

to the surrender value of the forfeited policy ascertained in manner hereinafter provided.

The default referred to in sub-s. 1 (a) seems to be the default in payment consequent on which the notice of forfeiture has been given, and it is the date of such default which, by reason of the age of the life assured, determines whether the policy comes within the section.

It is not clear whether the condition limiting the age of the life assured in sub-s. 1 (a) applies also to policies under heads (b) and (c), but it is submitted it does not.

The amount of a paid-up policy is provided for by sub-s. 2, and the surrender value by s. 29 (p. 327). As to the period to be reckoned in the case of substituted policies, see s. 25 (3).

(2) The amount of a free paid-up policy so issued as aforesaid shall not be less than such as may be determined in accordance with the rules contained in the Fourth Schedule to this Act, and shall be ascertained at the date when the premium following the last premium paid became due:

Provided that the amount of the free paid-up policy shall not exceed the difference between the amount of the forfeited policy (inclusive of any bonus added thereto) and the amount which would be assured by a corresponding policy at the same premium effected on the life of the same person according to the age of that person at his birthday next following the date of forfeiture.

The date of forfeiture would, having regard to s. 23, appear to be the expiration of twenty-eight days from the service on the member of the notice of default.

(3) In every premium receipt book issued after the commencement of this Act there shall be printed a notice stating that in the event of the forfeiture, after the expiration of five years from the passing of this Act, of any policy of industrial assurance by reason of default in the payment of premiums thereunder, the owner of the policy shall, if the policy has been in force a sufficient

Ss. 24, 25.

period as provided by this section, be entitled to a free paid-up policy or, if the conditions mentioned in paragraph (ii) of subsection (1) of this section are fulfilled, to the surrender value of his policy, and that upon application to the head office of the society or company information as to the amount of such free paid-up policy or surrender value will be supplied, and it shall be the duty of the society or company to supply such information.

For the definition of premium receipt book, see s. 45. The notice which has to be printed in such premium book under this sub-sect. in practice merely consists of a copy of that portion of the statement on p. 358, which relates to the present section.

(4) Where the rules of a society or the conditions of a policy are such as would confer on the owner of the policy in case of forfeiture rights more favourable to the owner of the policy than those conferred by this section, nothing in this section shall prevent the owner of the policy from claiming under those rules or conditions instead of under this section.

(5) This section shall not apply in the case of a forfeiture occurring before the expiration of five years after the passing of this Act.

As this section may involve certain societies and companies which do not already comply with it in heavy liabilities, the operation of the section is postponed till June 7th, 1928, after which date it will apply to all policies of industrial assurance whenever issued.

The section or its effect has to be set out in distinctive type in every policy of industrial assurance: s. 21.

Substitution of policies.

25.—(1) Where the owner of an industrial assurance policy agrees to accept a new policy in substitution therefor, the collecting society or industrial assurance company, shall pay to the owner of the policy the surrender value (to be ascertained in manner herein-after provided) of the old policy or shall issue to him a free paid-up policy of equivalent value, unless the value of the substituted

policy, calculated in accordance with the rules set out in the Fourth Schedule to this Act, at the date of the substitution is equal to or exceeds such surrender value.

The provisions of this section, or a statement sufficiently setting forth its effect, must be set out in a policy of industrial assurance: s. 21 (1), Sch. III.

For Sch. IV., see p. 359.

(2) In any such case the society or company shall furnish to the owner of the policy, with the new policy and new premium receipt book, a statement setting forth the rights of the owner under this section, and containing an account certified by the secretary of the society or company, or other officer appointed for the purpose, showing the surrender value of the old policy and the value of the new policy.

(3) Where a substituted policy is so issued and the value thereof is equal to or exceeds the surrender value of the old policy, then, for the purpose of determining whether the owner is entitled to a free paid-up policy or surrender value under the provisions of this Act relating to forfeited policies, the substituted policy shall be deemed to have been issued at the date at which the old policy was issued, and premiums shall be deemed to have been paid on the substituted policy in respect of the period between that date and the date at which the substituted policy was actually issued.

For the provisions relating to forfeited policies, see s. 24.

Transfers from one society or company t another.

26.—(1) A member of or person assured with a collecting society or industrial assurance company shall not, except in the case of—

(a) as respects a collecting society, an amalgamation, transfer of engagements or conversion into a company under the Friendly Societies Act, 1896, or this Act; or

S. 26.

(b) as respects an industrial assurance company, an amalgamation or transfer of business under the Assurance Companies Act, 1909, or this Act,

be transferred from the society or company in which he was so assured so as to become or be made a member of or be assured with any other such society or company without his written consent, or, in the case of an infant, without the like consent of his parent or other guardian, and any society or company and any collector or other officer of any society or company concerned in such a transfer shall, if the provisions of this section are not complied with, be deemed to have contravened the provisions of this Act.

(2) Such consent as aforesaid shall be in the prescribed form and shall have annexed thereto a document in the prescribed form to be furnished by the society or company to which the transfer is to be made setting out the terms of and rights under the existing policy, and the terms of and rights under the policy to which the assured will become entitled on transfer and the consideration (if any) which has been or is to be paid for the transfer and the person to whom such consideration has been or will be paid.

(3) The society or company to which the assured is sought to be transferred shall furnish to the person by whom such consent as aforesaid is signed a copy of such consent and of the document annexed thereto, and shall, within seven days from the date when such consent is signed, give to the society or company from which the assured is sought to be transferred notice of the proposed transfer containing full particulars of the name and address of the assured and the number of his policy, together with such consent as aforesaid, and the document annexed thereto.

(4) As from the date of the said notice, the society or company from which the person is sought to be trans-

ferred shall cease to be under any liability with respect to the policy in question and shall not be required to serve any notice of forfeiture of the policy in accordance with the foregoing provisions of this Act. S. 26.

This section has to be set out in every policy of industrial assurance: s. 21 (1).

The provisions relating to the amalgamation, transfer of engagements, and conversion of a collecting society are contained in the F. S. A., ss. 70—72, and s. 38 of this Act. For the amalgamation or transfer of business of an industrial assurance company, see the Assurance Companies Act, 1909, ss. 13, 14, and ss. 12 and 37 of this Act.

Under the Assurance Companies Act, 1909, an amalgamation or transfer of the business of an industrial assurance company must be sanctioned by the High Court of Justice in England or Ireland, and by the Court of Session in Scotland: ss. 13, 29; and such sanction is to be withheld if policy holders, representing one-tenth or more of the amount assured, dissent: s. 30 (d).

In the above cases the consent of a substantial majority of the members or policy holders is provided for by the enactments specified; all other cases of transfer of policy holders are regulated by this section.

The form of consent and document annexed thereto required by sub-s. 2 are prescribed by the Industrial Assurance (Individual Transfer) Regulations, 1923 (see p. 482).

Notice to the society or company should be sent to its registered office: see F. S. A., s. 24.

For the penalty on a collector contravening this section, see s. 39 (3).

The canvassers of an assurance society obtained requests for transfers to the society they represented from the wives of three men insured in a friendly society, and papers were thereafter given in exchange for the requests. The husbands when made aware of what their wives had done approved thereof, and remained in the new company in two cases, and in the third case the husband made one payment to the new company and then withdrew. It was held that the Act had been contravened: *Refuge Assurance Co.* v. *Hannan* (1889), 2 White, 373.

The word " transfer " is used in this section in a popular rather than in a strict legal sense. A collector who had collected for an industrial assurance company asked a person assured there-

Ss. 26—28.

with to transfer to a collecting society. The assured signed a proposal form in the society, and gave up to the collector his policies in the company, receiving policies in the society. It was held that the assured was a person sought to be transferred within the C. S. A., s. 4, and that, no notice having been given, an offence under the Act had been committed: *Pearl Life Assurance Co.* v. *Scottish Legal Life Assurance Society*, (1901) 1 K. B. 528; see also *Salvation Army Life Assurance Society* v. *British Legal Life Assurance Co.*, (1908) S. C. 1138.

An industrial assurance company obtained an injunction against a collecting society restraining the society and its agents from inducing policy holders in the company to transfer to the society or to cease to insure with the company: *British Widows' Assurance Co.* v. *Legal Co-operative Collecting Society* (1921), Post Magazine and Insurance Monitor, April 2nd.

Payment of claims.

27. Where a claim arising under a policy of industrial assurance is paid, no deductions shall be made on account of any arrears of premiums due under any other policy.

This section has to be set out in every policy of industrial assurance: s. 21.

Policies to which 4 & 5 Geo. 5, c. 78, applies.

28.—(1) The Courts (Emergency Powers) Act, 1914, shall cease to be in force so far as it relates to the enforcement of lapses of policies of insurance.

(2) The owner of any policy to which the said Act applied shall be entitled at his option either—

(*a*) on payment at any time before the expiration of six months after the publication of such notice as is hereinafter mentioned of all arrears in premiums then due, to secure the maintenance of the policy; or

(*b*) on making application in writing for the purpose at any time before the expiration of six months after the publication of such notice as aforesaid, to have a new policy issued to him of such reduced amount, or, in the case of an endowment assurance policy modified in such manner,

as having regard to the amount of the arrears may be determined under regulations made by the Commissioner to be proper to give effect to the loss occasioned by the non-payment of the arrears.

(3) Every collecting society and industrial assurance company shall, within three months after the passing of this Act, publish in such manner as the Commissioner may approve, notice of the rights under this section of the owners of policies to which the said Act applied.

(4) Where the person whose life is assured under any such policy has died before the passing of this Act or within nine months thereafter and the option hereinbefore conferred has not been exercised before his death, the society or company on application being made for the purpose within two years after the passing of this Act shall be liable to pay to the person entitled to receive the sum assured under the policy the amount thereof after deducting the amount of the arrears of premiums due at the date of death.

(5) This section shall come into force on the passing of this Act.

The Courts (Emergency Powers) Act, 1914, prohibited a society or company from enforcing the lapse of certain policies of insurance except on application to the Court and such notice as was provided by rules under the said Act, and it was held that the said Act only applied where a society or company was taking steps to enforce a lapse, and that it did not apply where an assured person was taking proceedings for payment under such an assurance: *Barker* v. *Phillips* (1919), 89 L. J. K. B. 51. This section removes such policies from the protection given by the said Act, and confers on the owners thereof the rights provided by this section.

The policies to which the said Act applied were life or endowment policies for an amount not exceeding 25*l.* or payments equivalent thereto the premiums in respect of which were payable at not longer than monthly intervals, and had been paid for at least the two years preceding the 4th day of August, 1914.

S. 28.

Under this section the owner of such a policy has the option of paying up all arrears or of taking a new policy in lieu thereof, and if he does not exercise the option within the time limited by the section, the society or company can, it is assumed, treat the policy as having lapsed.

The notice required by the section was advertised between July 23rd and 29th, 1923, and the option given by the section expired on February 1st, 1924. As to the notice published, see (1924), R. I. A. C.

Sub-s. 4 applies to persons whose life was assured dying between August 4th, 1914, and March 7th, 1924, and permits the recovery of the sum payable less arrears of premium at any time before June 7th, 1925, on application to the society or company.

By the Industrial Assurance (Courts Emergency Powers) Regulations, 1923, which came into operation on July 17th, 1923, it is provided:—

1. The amount by which the sum assured under a policy is reduced or the manner in which a policy is modified on an application being made to a collecting society or industrial assurance company under s. 28 (2) (*b*) of the I. A. A. shall be in accordance with a scheme prepared by each society or company and approved by the Commissioner before being brought into operation.

2. No such scheme shall be approved whereunder, in the case of a policy for the whole term of life, such reduction exceeds an amount ascertained by multiplying the number of shillings contained in the arrears of premium due to the society or company by the factor in the Schedule to these Regulations set against the age next birthday of the life assured at the date of issue of the new policy: Provided that any fraction of a shilling forming part of the total of such arrears shall, if less than 6*d*., be ignored, and shall, if 6*d*. or more, be treated as one shilling.

3. In the case of an endowment assurance policy, the scheme shall not provide for any modification in the sum assured but shall provide that the date of maturity shall be modified by being postponed by a period equal to that for which the premiums are in arrear.

SCHEDULE. Ss. 28, 2

1. Age next Birthday.	2. Factor.	1. Age next Birthday.	2. Factor.
	s. *d.*		*s.* *d.*
10	3 4	50	1 9
1	3 3	1	1 9
2	3 3	2	1 8
3	3 2	3	1 8
4	3 1	4	1 8
15	3 1	55	1 7
6	3 0	6	1 7
7	2 11	7	1 7
8	2 11	8	1 6
9	2 10	9	1 6
20	2 10	60	1 6
1	2 9	1	1 5
2	2 9	2	1 5
3	2 8	3	1 5
4	2 8	4	1 5
25	2 7	65	1 4
6	2 7	6	1 4
7	2 6	7	1 4
8	2 6	8	1 4
9	2 5	9	1 4
30	2 5	70	1 3
1	2 4	1	1 3
2	2 4	2	1 3
3	2 4	3	1 3
4	2 3	4	1 3
35	2 3	75	1 3
6	2 2	6	1 2
7	2 2	7	1 2
8	2 1	8	1 2
9	2 1	9	1 2
40	2 1	80	1 2
1	2 0	1	1 2
2	2 0	2	1 2
3	2 0	3	1 2
4	1 11	4	1 2
45	1 11	85	1 1
6	1 10		
7	1 10		
8	1 10		
9	1 9		

29.—(1) Where for the purposes of this Act the value of a policy (including an illegal policy and a policy beyond the legal powers of a collecting society or industrial assurance company) has to be ascertained, the value

Value of policies.

Ss. 29, 30.

of the policy shall be calculated in accordance with the rules set out in the Fourth Schedule to this Act.

(2) The surrender value of such a policy shall be an amount equal to seventy-five per cent. of the value of the policy so calculated.

For Sch. IV., see p. 359.

The value of a policy has to be calculated for the purpose of ascertaining the liability of a society or company on policies which are illegal or not within the legal powers of a society or company: s. 5; the liability on certain forfeited policies: s. 24; the sufficiency of substituted policies: s. 25; the liability on a policy where the existence of the life assured is in doubt: s. 32 (2).

War bond policies.

30.—(1) The owner of any war bond policy existing at the passing of this Act shall be entitled to make application to the Commissioner alleging that the conditions of the policy are so unreasonable as to entitle him to claim relief under this section, and the Commissioner shall consider the application, and if he is of opinion, after giving the society or company an opportunity of being heard, that the conditions of the policy are such as to warrant such a course, he shall direct that so far as relates to lapse and surrender the policy and all other policies (if any) issued by the same society or company which contain the same conditions shall be modified in such manner as having regard to the legitimate interests of the society or company and the other owners of policies appears to him just, and all policies to which the directions relate shall thereupon have effect as so modified:

Provided that any society or company may appeal to the High Court, or in the case of a society or company registered in Scotland the Court of Session, against any decision of the Commissioner under this section.

(2) For the purposes of this Act, "war bond policy" means a policy of life assurance, whether an industrial assurance policy or not, where the amount assured is

payable in any securities issued in connection with any Government loan raised for the purposes of the war, or in such securities or in cash at the option of the owner of the policy.

(3) This section shall come into operation on the passing of this Act.

This section applies to War Bond policies existing on July 7th, 1923.

The fees payable on any application to the Commissioner under this section, see p. 347.

An appeal against the decision of the Commissioner is regulated by R. S. C., Ord. LVB, rr. 49—58.

Saving for certain policies issued before 3rd Dec. 1909.

31. No policy effected before the third day of December, nineteen hundred and nine, with a collecting society or an industrial assurance company shall be deemed to be void by reason only that—

(*a*) the person effecting the policy had not, at the time the policy was effected, an insurable interest in the life of the person upon whose life the policy is taken out; or

(*b*) the name of the person interested, or for whose benefit or on whose account the policy was effected, was not inserted in the policy; or

(*c*) the assurance was not one authorised by the Acts relating to friendly societies;

if the policy was effected by or on account of a person who had at the time a *bonâ fide* expectation that he would incur expenses in connection with the death or funeral of the person whose life is insured, and if the sum assured is not unreasonable for the purpose of covering those expenses, and any such policy shall enure for the benefit of the person for whose benefit it was effected or his assigns.

This section substantially re-enacts s. 36 (2) of the A. C. A., and renders valid certain policies issued by a collecting society before December 3rd, 1909, notwithstanding that they are con-

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trary to the Life Assurance Act, 1774, provided they satisfy the conditions of the section; the policies rendered valid by this section are not necessarily such as could be lawfully effected after the passing of the Act under the provisions of s. 3, for existing policies may be valid notwithstanding that they were effected on persons other than the relatives named in s. 3 of the person effecting the policy. The burden of proof appears to be on the person effecting the policy or his assigns to show that at the time the policy was effected the person effecting it had a *bonâ fide* expectation that he would incur expenses in connection with the death or funeral of the assured.

The section does not affect a person's right to claim rescission of a policy on the ground that he had been induced to effect it by the fraudulent representation that he had an insurable interest in the life of the person insured in respect of the expenses mentioned in the section: *Tofts* v. *Pearl Life Assurance Co.*, (1915) 1 K. B. 189.

A policy effected by a son to cover the possible expenses of a mother's funeral, the amount not being unreasonable, enures for the son's benefit under this section, and if the personal representative of the mother received the money he would be a trustee thereof for the son: *Da Costa* v. *Prudential Assurance Co.* (1918), 88 L. J. K. B. 884.

If a policy taken out by a father to cover the possible expenses of a son's funeral enures for the father's benefit by virtue of this section, any presumption that the policy is an advancement for the son is rebutted: *Hatley* v. *Liverpool Victoria Legal Friendly Society* (1918), 88 L. J. K. B. 237.

Disputes.

Disputes.

32.—(1) In all disputes between a collecting society or industrial assurance company, and

(*a*) any member or person assured; or

(*b*) any person claiming through a member or person assured, or under or in respect of any policy, or under the rules, or under this Act; or

(*c*) any person aggrieved who has ceased to be a member or any person claiming through such person aggrieved,

that member or person may, notwithstanding any provisions of the rules of the society or company to the contrary, apply to the county court, or to a court of summary jurisdiction for the place where that member or person resides, and the Court may (but in the case of a Court of summary jurisdiction only if the amount of the claim does not exceed twenty-five pounds and not less than fourteen days' notice of the application has been given to the society or company) settle that dispute according to the provisions of the Friendly Societies Act, 1896, and, where a dispute is settled under this section by a Court of summary jurisdiction, the Court may make such order as to costs as it considers fair and reasonable:

Provided that any such dispute may be referred to the Commissioner—

(*a*) by such collecting society, industrial assurance company, member or person as aforesaid, if the amount of the claim does not exceed fifty pounds and the legality of the policy is not questioned, and fraud or misrepresentation is not alleged; and

(*b*) in any case, by both parties, without restriction as to the amount of claim or the nature of the question to be decided;

and, where a dispute is so referred, the Commissioner may deal with the dispute as if it were a dispute referred to him under the provisions of section sixty-eight of the Friendly Societies Act, 1896, and the consent of the Treasury to his dealing therewith had been given.

(2) In any case where a doubt arises as to the continued existence of the person on whose life a policy of industrial assurance was taken out, the Commissioner may, on the application of the owner of the policy or of the society or company which issued the policy, award that the society or company shall pay to the owner of the policy the surrender value thereof at the time of the

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award, and the award shall be a discharge for all claims by or against the society or company in connection with the policy.

This section has to be set out in every policy of industrial assurance: s. 21.

This section re-enacts the C. S. A., s. 7, but with important amendments.

The provisions of the section now apply to a person claiming under or in respect of any policy or under the Act. This appears to include a person who is claiming the return of premiums in respect of a void policy who was held not to be within the former Act, as he was not a "person assured": *Ex parte Yorkshire Provident Industrial Assurance Co.* (1894), 58 J. P. 798; *London, Edinburgh and Glasgow Assurance Co.* v. *Partington* (1903), 67 J. P. 255.

Clause (c), which is new, would seem to bring within the section the question of the lawfulness of the expulsion of a member of a collecting society: cf. F. S. A., s. 68.

Effect of the section.

In the case of collecting societies, this section modifies the provisions of the F. S. A., s. 68, so that if there is in the rules a provision directing disputes to be settled in a manner which excludes the jurisdiction of the county court and of a court of summary jurisdiction, that provision is not to prevail if the member wishes to apply to either of those courts instead, a right he would not otherwise have except under s. 68 (6); but an application to a court of summary jurisdiction can only be made if the claim does not exceed 25*l.* and at least fourteen days' notice of the application has been given. This section is permissive merely, and does not exclude the jurisdiction of the High Court: *Re Royal Liver Friendly Society* (1887), 35 C. D. 332; unless the rules direct that "disputes shall be settled in the manner provided by this section and not otherwise": *Re Royal Liver Friendly Society* (1895), Times, November 16th.

Procedure.

With regard to applications to the court of summary jurisdiction, see p. 155, and to the county court, see p. 157. The Court having jurisdiction is that for the place where the member or person resides. Instead of naming the trustees of a collecting society as defendants, any officer within the jurisdiction of the Court who receives contributions or issues policies may be sued on behalf of the society: F. S. A., s. 94 (2).

For the reference of disputes to the Commissioner, see p. 153. For the fees payable on every reference of a dispute,

see p. 348. The jurisdiction of the Commissioner would seem not to be ousted unless a relevant issue of fraud is raised which will have to be decided in order to determine the rights of the parties: the mere fact that the plaintiff alleges that the defendant has acted fraudulently is not enough: *Everett* v. *Islington Guardians,* (1923) 1 K. B. 44. The Commissioner has jurisdiction to determine a dispute notwithstanding the applicant is resident out of the country, *e.g.,* the Irish Free State, where the applicant is proceeding against a British company on a contract made with that company, and on an alleged breach of contract committed by that company: *Re O'Neill and London General Insurance Co.* (1924), R. I. A. C. 103.

The jurisdiction of the Court under this section to hear and determine a dispute on the merits is not ousted by an agreement compromising the dispute which was entered into at a time when the claimant was incapable of deciding whether there was a good ground for dispute: *Refuge Assurance Co.* v. *Lawrence* (1903), 67 J. P. 396.

An objection to the jurisdiction may be taken before the Divisional Court, although it was not taken before the justices and no question was left to them on the point: *London, Edinburgh and Glasgow Assurance Co.* v. *Partington* (1903), 67 J. P. 255; cf. *Knight* v. *Halliwell* (1874), L. R. 9 Q. B. 412.

Industrial assurance companies

For the meaning of rules in applying this section to industrial assurance companies, see p. 351.

Appeal.

An appeal appears to lie from a decision under this section: cf. *R.* v. *County Court Judge of Tyrone* (1910), 44 Ir. L. T. R. 147; *R.* v. *Waterford JJ.,* (1919) 2 I. R. 213.

Sub-s. 2 empowers the Commissioner, where the life of the person assured by an industrial policy is in doubt, to presume the death and award payment of the surrender value of the policy, thus avoiding an application to the Court, which has hitherto been necessary in such a case. The surrender value will be ascertained as directed by s. 29 (p. 327).

Provisions as to Collectors, &c.

Disabilities of collectors &c.

33.—(1) A collector of a collecting society or industrial assurance company shall not be a member of the committee of management, or in the case of a company of the board of directors, or hold any other office in the

society or company except that of superintending collectors within a specified area.

(2) A collector or superintendent shall not be present at any meeting of the society or company.

For definition of "committee," see F. S. A., s. 106. In sub-s. 2, "superintendent" apparently means the officer superintending collectors within a specified area referred to in sub-s. 1, but the word is not defined in the Act.

Any act in contravention of this section is expressly made an offence under the Act: s. 39 (3).

Restriction on employment of persons to procure new business.

34.—(1) A collecting society or industrial assurance company shall not, nor shall any person employed by such a society or company, employ any person not being a person in the regular employment of the society or company to procure or endeavour to procure any person to enter into a contract of industrial assurance, and no person not regularly in the employment of such a society or company shall procure or endeavour to procure any person to enter into such a contract.

(2) For the purposes of this section, references to regular employment shall include regular part-time as well as regular whole-time employment.

The object of this section is to prevent the employment to canvass for new business of any person who is not authorised to do so by the society or company and is not responsible to such society or company, and for whom the society or company is not responsible.

Though a collector may during his temporary absence appoint a deputy to collect for him, such deputy may not attempt to procure new business unless he is or becomes a regular, whole, or part-time servant of the society or company.

Notification of appointments of secretary and members of committee of management.

35.—(1) Every collecting society registered before the passing of this Act shall, within one month after the passing of this Act, and every collecting society registered after the passing of this Act or society which becomes a collecting society after the passing of this Act shall,

within one month of the date when it is so registered or so becomes a collecting society, send to the Commissioner in such form as he may direct, the names of its secretary and of the members of its committee of management, and every such society shall, within fourteen days after the appointment of a new secretary or a new member of the committee of management, send to the Commissioner in such form as he may direct the name of the person so appointed, together with such particulars in each case as he may require.

(2) This section shall come into operation on the passing of this Act.

The omission to comply with this section is an offence under the Act: s. 39.

Amalgamations, Transfers and Conversions.

Transfer of engagements of collecting societies.

36.—(1) Section seventy of the Friendly Societies Act, 1896, in its application to an amalgamation and transfer of engagements of collecting societies shall have effect subject to the following modifications:—

(i) Before the assent required by that section is sought to be obtained, there shall, unless the Commissioner otherwise directs, be sent to each member a statement in such form and containing such particulars as the Commissioner may require, of the terms of the amalgamation or transfer, and the consideration proposed to be paid therefor, the manner in which that consideration is to be distributed, and the exact share therein which is to be paid to each person participating in the distribution:

(ii) An amalgamation or transfer shall not become effective unless sanctioned by the Commissioner, and the Commissioner, before sanctioning any such amalgamation or transfer, shall hear any representations made on behalf of any class of

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persons (including the employees of any society concerned) who allege that they are adversely affected by the amalgamation or transfer, and may require as a condition of his sanction that the terms of the amalgamation or transfer shall be modified in such manner as he may consider just.

(2) The said section as so modified shall apply to the transfer by a collecting society of its engagements to an industrial assurance company as if in subsection (2) thereof for the words "any other registered society" there were substituted the words "an industrial assurance company"; and section seventy-one of the Friendly Societies Act, 1896, so far as it enables a registered friendly society to amalgamate with or transfer its engagements to a company, shall not apply to a collecting society.

As to the F. S. A., s. 70, see pp. 161—166.

This section imposes on the amalgamation of collecting societies and the transfer of business from one society to another or to a company similar conditions to those that govern the amalgamation or transfer of business of assurance companies under the A. C. A., s. 13, but in the former the sanction of the Commissioner is required instead of the sanction of the Court. Under the A. C. A. the sanction of the Court is obtained on petition, but no special form of application has yet been prescribed for obtaining the sanction of the Commissioner under this section.

The section requires as a condition precedent to obtaining the assents required by the F. S. A., s. 70, that there shall be sent to each member, unless the Commissioner otherwise directs, a statement of the terms of the proposed amalgamation or transfer as mentioned in paragraph (i). As the assents required by s. 70 can be given at one of the meetings at which the special resolution for amalgamation or transfer is passed, it would seem that the statement must be sent to each member beforehand, and it would be most conveniently sent with the notice of the meeting at which the resolution is to be proposed. Although the meeting might be convened by advertisement (s. 19), the statement would, unless the Commissioner otherwise directs, have to be sent to each member (see s. 41), but it is apprehended that the Com-

missioner might in such circumstances direct the statement to be advertised with the notice of the meeting.

The fee payable on every application for sanction to an amalgamation or transfer of engagements under this section is 10*l.*, with an additional 5*l.* for every day or part of a day occupied in hearing representations (p. 348).

Transfer of business from company to society.

37. The provisions of the Assurance Companies Act, 1909, as amended by this Act relating to the transfer of industrial assurance business or liabilities arising in respect of industrial assurance business from one industrial assurance company to another, shall, with the necessary modifications, apply to the transfer of such business or liabilities from an industrial assurance company to a collecting society.

See A. C. A., ss. 13, 14, and 23, and s. 12 of this Act. It would seem that a transfer of the kind dealt with by this section would require the sanction of the Court, and that the provisions of s. 12 (3) (e) (f) would apply to the application for such sanction.

On an agreement for sale of one company to another the statutory deposit can only be transferred subject to the outstanding liabilities on policies issued by the selling company in respect of the business transferred: *United London and Scottish Insurance Co.* v. *Omnium Insurance Corporation* (1914), 84 L. J. Ch. 777.

Conversion of collecting society into company.

38.—(1) Section seventy-one of the Friendly Societies Act, 1896, so far as it relates to the conversion of a society into a company shall, in its application to a collecting society, have effect subject to the following modifications:—

(*a*) A copy of the special resolution shall be sent to the Commissioner;

(*b*) If within one month after the copy of the special resolution is so sent to him the Commissioner gives notice in writing to the society that he objects to the conversion, the conversion shall not be effected without the sanction of the High

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Court or in the case of a society registered in Scotland of the Court of Session;

(c) On the application to the Court for such sanction the Commissioner shall be entitled to appear and be heard.

(2) Without prejudice to the powers conferred by section seventy-one of the Friendly Societies Act, 1896, as so amended, the committee of management of a collecting society having more than one hundred thousand members may petition the Court to make an order for the conversion of the society into a mutual company under the Companies Acts, 1908 to 1917, and the Court may make such an order if, after hearing the Commissioner if he desires to be heard, and the committee of management, and other persons whom the Court considers entitled to be heard on the petition, the Court is satisfied, on a poll being taken, that fifty-five per cent. at least of the members of the society over sixteen years of age agree to the conversion:

Provided that, before any such petition is presented to the Court, notice of intention to present the petition shall be published in the Gazette, and in such newspapers as the Court may direct.

(3) The Court may give such directions as it thinks fit for settling a proper memorandum and articles of association of the company.

(4) When a collecting society converts itself into a company in accordance with the provisions of this section, subsection (3) of section seventy-one of the Friendly Societies Act, 1896, shall apply in like manner as if the conversion were effected under that section.

Sub-s. 1 is new, but the rest of the section substantially re-enacts s. 36 (4) of the A. C. A., 1909.

If a society seeks to convert itself into a company by special resolution under s. 71 of the F. S. A., it seems that the operation cannot be completed till the lapse of a calendar month, during which the Commissioner may object to the conversion, and

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there is no limit to the grounds on which he may so object. The Act does not prescribe the procedure necessary to obtain the sanction of the Court to a proposed conversion to which the Commissioner has objected: it would seem it might be by petition under the subsequent sub-sects.

Conversion of society into a mutual company.

Sub-s. 2 authorises the conversion of a collecting society into a mutual assurance company; there is no definition in the Act of such a company, but the expression is usually understood to mean a company whose object is not to make profits but solely to provide for the risks insured against, *i.e.*, the insured pay the premiums on their policies with or, more usually, without any liability for any further contribution; out of the money so paid the expenses of management are provided for, and out of the surplus the policies are to be paid as they become due, for which purpose only the premiums are collected and invested; the policy holder is under no obligation to continue his payments, and may either allow his policy to lapse or surrender it; when the company is wound up, after the payment of the costs of the liquidation, the funds and property of the society are distributable among the then policy holders.

Upon such footing it would seem that the constitution of the company into which the society is converted must be that of a company limited by guarantee and having no share capital; it would seem also that although the powers of management might be much enlarged and expanded by the conversion, *i.e.*, the structure of the society would be altered, yet the objects of the company must be the same as those of the society: *Blythe* v. *Birtley*, (1910) 1 Ch. 228; and any enlargement of the objects of the company would, if desired, have to form the subject of a subsequent application to the Court under s. 9 of the Companies (Consolidation) Act, 1908.

Procedure.

The petition for conversion is to be presented by the committee of management of the society; it is presumed that the Court to which the application would be made would be as mentioned in sub-s. 1, *i.e.*, the High Court of Justice in England, except that in the case of a society registered only in Scotland it would be the Court of Session. Apparently the Commissioner would properly be made a respondent to the petition in the first instance, but persons opposing the conversion would doubtless be entitled to be heard on the petition. Before the order for conversion can be made, a poll of the society must be taken, and must show that 55 per cent. of the members over sixteen are in

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favour of the conversion, and upon such a poll all such members appear to be equal so far as regards voting power. Even if the poll shows the necessary number in favour of a conversion, the Court is not bound to make the order. It does not appear whether the poll can be taken by the society before the presentation of the petition, but it would seem better to obtain the directions of the Court as to the manner of taking it and obtaining proof satisfactory to the Court of the result.

The section provides that before presentation of the petition notice of the intention to present it shall be advertised in newspapers to be directed by the Court; and it would seem that in order to obtain such direction a substantive application for the purpose would be necessary; but the Act does not prescribe the procedure for this purpose.

Offences, Notices, &c.

Offences.

39.—(1) Any collecting society which contravenes or fails to comply with any of the provisions of this Act, or any directions by the Commissioner given thereunder, shall be guilty of an offence under this Act and the provisions of the Friendly Societies Act, 1896, with respect to offences thereunder and to proceedings in respect of such offences shall apply to offences by societies under this Act:

Provided that the maximum penalty which may be inflicted for an offence under this Act shall be a fine not exceeding one hundred pounds or, in the case of a continuing offence, a fine not exceeding fifty pounds a day during which the offence continues.

Supplementary provisions.

The provisions of the F. S. A. which are referred to and are applicable to offences under this Act are:—s. 85, making offences by a society also offences by its officers; s. 86, making offences under the Act continuing offences; s. 89, imposing the fine for an offence; s. 91, providing how and by whom fines are recoverable; s. 92, defining the Court wherein proceedings are to be taken; s. 93, providing as to appeals; s. 94, indicating the persons to be sued and the method of serving process on societies. The proviso increases the penalties provided by the F. S. A., ss. 88, 89, in the case of offences under this Act to the same level as those prescribed in the A. C. A., s. 23.

In the case of default by a society as to making a deposit, the Commissioner may dissolve it and wind up its affairs: s. 7 (3).

For the penalties for the falsification of collecting or premium receipt books, see s. 40.

(2) Any industrial assurance company which contravenes or fails to comply with any of the provisions of this Act, or any directions given by the Commissioner thereunder shall be guilty of an offence under this Act, and a company guilty of such an offence shall be liable to the like penalties, recoverable in the same manner, as in the case of a default in complying with any of the requirements of the Assurance Companies Act, 1909, and section twenty-three of that Act shall apply accordingly.

The A. C. A., s. 23, under which the Commissioner is substituted for the Board of Trade in relation to the industrial assurance business of the company (s. 12 (2)), imposes penalties on the company and its officers.

(3) If any collector of a collecting society or industrial assurance company, or any other person, contravenes or fails to comply with any of the provisions of this Act affecting such collector or other person, he shall be guilty of an offence under this Act and liable on summary conviction to a fine not exceeding fifty pounds.

The provisions specially affecting a collector or person employed by a society or company are the prohibition of knowingly assisting in effecting an illegal policy: s. 5 (2); issuing a proposal or accepting a proposal which does not comply with the Act: s. 20 (2); not returning policies or premium books taken for inspection: s. 22; being concerned in an illegal transfer from one society or company to another: s. 26; holding another office in or being present at a meeting of the society or company: s. 33.

(4) Where any body of persons not being a collecting society or industrial assurance company as defined by this Act carries on industrial assurance business, any director, manager or secretary or other officer or agent of that

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body who is knowingly a party to the carrying on of such business shall, unless that body is exempted from the provisions of this Act, be guilty of an offence under this Act and be liable on summary conviction to a fine not exceeding fifty pounds for each day during which the offence continues:

Provided that, where a person is convicted of a second offence under this subsection, he may be sentenced to imprisonment with or without hard labour for a term not exceeding three months.

Any such body of persons as aforesaid shall also, without prejudice to any other penalty, be liable to pay to the owner of any policy of industrial assurance issued by them such sum as an industrial assurance company which has knowingly issued an illegal policy is under this Act liable to pay to the owner of such illegal policy.

Sub-s. 4 imposes penalties on any association carrying on an industrial assurance business, unless such association is a society or company as defined in s. 1 (1).

As to exemption from the provisions of the Act, see s. 10.

As to issuing illegal policies, see s. 5 (1), p. 287.

(5) Notwithstanding any limitation on the time for the taking of proceedings contained in any Act, summary proceedings for offences under this Act, or for offences under the Friendly Societies Act, 1896, where the society by or in respect of which, or the person by or in respect of whom, the offence is alleged to have been committed is a collecting society or an officer of such a society, may be commenced at any time within one year of the first discovery thereof by the Commissioner, but not in any case after more than three years from the commission of the offence.

As to summary proceedings, see F. S. A., s. 92, n. This sub-sect. extends the time for taking proceedings in respect of the offences referred to in the sub-sect.

(6) The Court by which a fine is imposed in pursuance of this Act may direct that the whole or any part thereof shall be applied in or towards the payment of the costs of the proceedings and subject to any such direction and, subject in England to section four of the Criminal Justice Administration Act, 1914, all such fines shall, notwithstanding anything in any other Act, be paid into the Exchequer. 4 & 5 Geo. 5, c. 58.

The Criminal Justice Administration Act, 1914, s. 4, provides in effect that money found on a person ordered to pay a fine when he is apprehended or searched or taken to prison in default of payment may be applied in payment of the fine, provided that it shall not be so applied if the Court is satisfied it does not belong to him, or that the loss of the money would be more injurious to his family than his imprisonment.

Penalties for falsification.

40. If any person wilfully makes, orders, or allows to be made any entry or erasure in, or omission from a collecting book or premium receipt book, with intent to falsify that book, or to evade any of the provisions of this Act, he shall be liable on summary conviction to imprisonment with or without hard labour for a term not exceeding three months or to a fine not exceeding fifty pounds or to both such imprisonment and fine.

See also F. S. A., s. 88 (p. 210). This section reproduces the C. S. A., s. 15, but imposes as a penalty imprisonment in addition or alternative to a fine. Cf. F. S. A., s. 91 (p. 211).

For the definition of collecting book and premium receipt book, see s. 45.

Notices.

41. Where any notice is required by this Act to be served upon any member or other person, the notice shall be in writing, and either delivered or sent by post to him, or, in the case of a notice of default, so delivered or sent or left at his last known place of abode.

This section has to be set out in distinctive type in every policy of industrial assurance: s. 21.

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Meaning of service by post.

Service by post of a document is to be deemed to be effected by properly addressing, prepaying, and posting a letter containing the document, and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post: Interpretation Act, 1889 (52 & 53 Vict. c. 63), s. 26. Cf. *Browne* v. *Black,* (1912) 1 K. B. 316; *Retail Dairy Co.* v. *Clarke,* (1912) 2 K. B. 388.

Evidence.

Proof that a letter properly directed has been put into the post-office or delivered to the postman (*Skilbeck* v. *Garbett* (1845), 14 L. J. Q. B. 338), raises the presumption, from the known course of business in that department of the public service, that it reached its destination at the regular time, and was received by the person to whom it was addressed: *Wall's Case* (1872), L. R. 15 Eq. 18; *Re Hickey* (1875), I. R. 10 Eq. 117. The posting of a notice, therefore, is *primâ facie* evidence of its delivery to the person to whom it was addressed: cf. *Re Struve,* (1912) W. N. 149.

Address.

As to what is a "proper direction," it has been held that "Mr. Haynes, Bristol," is insufficient to raise the presumption above referred to: *Walter* v. *Haynes* (1824), Ry. & M. 149. A lapse notice wrongly addressed is not properly served and is void: *Re Blagdon and Britannic Assurance Co.* (1924), R. I. A. C. 100; *Re Lewis and Hearts of Oak Assurance Co.: ib.*

Posting.

When a witness produced a copy of a letter which he said was made by him, and swore that he should in the ordinary course of business have posted the original, it was held that this was evidence of posting: *Trotter* v. *Maclean* (1879), 13 C. D. 574; but delivery to a postman, who is not authorised to take charge of letters for the post, is not "posting": *Re London and Northern Bank,* (1900) 1 Ch. 220.

Prepayment.

In order to prove service of a notice by letter through the post, it is necessary to show that the letter was "prepaid," and an affidavit containing no statement to that effect is insufficient as evidence of service: cf. *Walthamstow Urban District Council* v. *Henwood,* (1897) 1 Ch. 41.

In the case of a notice of default (see s. 23) the last clause allows an alternative or cumulative mode of service in addition to delivering or sending by post, so that a notice of default is well served by transmission by post to the insurer's last known place of abode: *Morgan* v. *M'Clure* (1899), 2 I. R. 209.

Bond Investment Business.

Amendment of law relating to bond investment business.

42.—(1) Bond investment business shall, for the purposes of the Assurance Companies Act, 1909, include cases where the subscriptions are payable at periodical intervals of over two months but less than six months, except where such business is sinking fund or capital redemption insurance business, and accordingly for paragraph (*e*) of section one of that Act the following paragraph shall be substituted:—

"(*e*) Bond investment business, that is to say, the business of issuing bonds or endowment certificates by which the company in return for subscriptions payable at periodical intervals of less than six months contract to pay the bondholder a sum at some future date, and not being life assurance as hereinbefore defined, or sinking fund or capital redemption insurance business."

(2) Where in return for subscriptions payable at periodical intervals of less than six months a person or body of persons corporate or unincorporate (not being registered or certified under the Acts relating to friendly societies, building societies, or trade unions) undertake, by prospectus or otherwise, to pay to the subscriber at a future date the amount of the subscriptions with interest thereon (with or without a right on the part of the subscriber to the return of his subscriptions in the meantime), such business shall, for the purposes of the Assurance Companies Act, 1909, be treated as bond investment business, and the card, book, or other document in which receipts of subscriptions are entered shall be treated as the instrument evidencing the contract, and the subscriber shall be treated as the owner of the policy, subject however to such modifications of the provisions of the Fourth, Fifth, and Sixth Schedules to that Act as may be prescribed by the Board of Trade for

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the purpose of adapting to such business as aforesaid the provisions of those schedules relating to bond investment business.

This section, which appears to have nothing to do with industrial assurance, amends the A. C. A. as regards bond investment business, and by sub-s. 2 brings within the scope of that Act business to which that Act was intended to apply, although the society does not issue bonds or endowment certificates within the meaning of paragraph (*e*). A loan investment society registered as a specially authorised loan society which was converted into a company under the Companies Acts carrying on a similar business would come within the scope of the A. C. A., 1909, notwithstanding that it did not issue bonds or certificates evidencing the contract between the company and the member.

General.

Regulations.

43. The Commissioner may, subject to the approval of the Treasury, make regulations for prescribing anything which under this Act is to be prescribed and for imposing fees and generally for carrying this Act into effect and all regulations so made shall forthwith be laid before both Houses of Parliament, and, if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty days on which that House has sat next after the regulations are laid before it praying that the regulations may be annulled, they shall thenceforth be void but without prejudice to the validity of anything previously done thereunder or to the making of new regulations. If the Session of Parliament ends before such twenty days as aforesaid have expired, the regulations shall be laid before each House of Parliament at the commencement of the next Session as if they had not previously been laid:

Provided that the regulations so made shall not be deemed to be statutory rules to which section one of the Rules Publication Act, 1893, applies.

56 & 57 Vict. c. 66.

See F. S. A., s. 99 (p. 224).

The Rules Publication Act, 1893, s. 1, provides for a forty

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days' notice before making statutory rules by a rule-making authority, which has to take into consideration suggestions made during the period before finally settling the rules which come into operation on the expiration of the period. The proviso enables the Commissioner to make regulations to come into operation forthwith, subject, however, to the same being annulled afterwards, as provided by this section.

The following Regulations have been made by the Commissioner:—

The Industrial Assurance (Fees) Regulation, 1923, dated June 22nd, 1923 (S. R. O., 1923, No. 713) (p. 478); the Industrial Assurance (Courts Emergency Powers) Regulations, 1923, dated July 17th, 1923 (S. R. O., 1923, No. 810) (p. 480); the Industrial Assurance (Individual Transfer) Regulations, 1923, dated December 11th, 1923 (S. R. O., 1923, No. 1495) (p. 482); the Industrial Assurance (Deposits, &c.) Rules, 1923, dated August 30th, 1924 (S. R. O., 1924, No. 754) (p. 485).

By the Industrial Assurance (Fees) Regulation, 1923, the following fees are imposed under the Act:—

	£	s.	d.
On every application for a certificate under s. 1 (2) (*d*), for each class of assurances to which the application relates	10	0	0
On every application or request for postponement or further postponement of time under s. 7 (1) (*c*)	5	0	0
On every award of dissolution of a society	2	0	0
On every direction for division or appropriation of the assets of a society:—			
For the first 200*l.*	2	0	0
For every additional 100*l.* or part of 100*l.*	0	10	0
On every application for a certificate of exemption under s. 10	5	0	0
On every application or request for a certificate of exemption under s. 11	2	0	0
On every application under s. 30 or s. 32 (2)			
where the sum assured by the policy in question does not exceed 10*l.*	0	2	6
exceeds 10*l.* but does not exceed 25*l.*	0	5	0
exceeds 25*l.* but does not exceed 50*l.*	0	10	0
exceeds 50*l.*, for every additional 50*l.* or part of 50*l.*	0	10	0

Ss. 43, 44.

	£	s.	d.
On every reference of a dispute under s. 32 (1) where the amount of the claim does not exceed 10*l.*	0	2	6
exceeds 10*l.* but does not exceed 25*l.*	0	5	0
exceeds 25*l.* but does not exceed 50*l.*	0	10	0
exceeds 50*l.*, for every additional 50*l.* or part of 50*l.*	0	10	0
where the dispute relates to the rights of the parties without involving any pecuniary claim	0	10	0
On every application for sanction to an amalgamation or transfer of engagements under s. 36 ...	10	0	0
And in addition for every day or part of a day occupied in hearing representations	5	0	0
For every inspection on the same day of documents (whether one or more) in the custody of the Commissioner relating to one and the same society or company	0	2	6
For a copy or extract of any document in the custody of the Commissioner not exceeding 216 words, 1*s.* 6*d.*, and if exceeding that number, 6*d.* per folio of 72 words or part of a folio.			
For any document certified as a true copy of a document in the custody of the Commissioner..	0	5	0
And in addition when the copy so certified is not made by the Commissioner and does not exceed 216 words, 9*d.* for the examination of such copy and for every additional folio of 72 words, 3*d.*			

No fee is payable for any document or copy of a document supplied to a public department.

The Commissioner may dispense with the fee for inspection of documents in cases where he may consider it for the public interest to do so.

Reports of Commissioner.

44. The Commissioner in every year shall make a report of his proceedings under this Act, which may contain any comments he may consider desirable to make on the valuations, annual returns, or other documents or matters brought before him under this Act, and any

correspondence in relation thereto, and the report shall be laid before Parliament. Ss. 44, 45.

See F. S. A., s. 6 (p. 18).

45.—(1) In this Act, unless the context otherwise requires— Interpretation.

The expression "collector" shall include every person, howsoever remunerated, who, by himself or by any deputy or substitute, makes house to house visits for the purpose of receiving premiums payable on policies of insurance on human life, or holds any interest in a collecting book and includes such a deputy or substitute as aforesaid:

The definition of collector differs from that in s. 17 of the C. S. A., 1896, in that it makes house and house visiting a necessary factor in the definition, and thus excludes such a person as a cashier of a colliery, an employé of the owner who, in making out the "pay checks" for the men, deducted the amount of each man's subscription for a friendly society, the subscriptions being paid by the colliery owner to the society, who remunerated the cashier. Such a cashier was held to be a collector within the meaning of the C. S. A., 1896: *Joyce* v. *Northumberland Miners' Friendly Society* (1888), 4 T. L. R. 525. It was this decision which lead to the passing of the provisions now embodied in s. 10, *infra*.

As to the disabilities of collectors, see s. 33.

It will be noticed that the definition of collector includes not only a person who actually collects, but also one who employs another to do so on his behalf, though he does not do so himself, and also includes anyone who has any interest in a collecting book, though not otherwise a collector.

Where by the rules of a society the collectors' books are to be provided by the society, and are to be its property, a collector acquires no interest in such books either by purchase from a retiring collector or upon appointment as a collector, which will enable him on dismissal from the service of the society to maintain an action against the society for detaining the books: *Ellwood* v. *Liverpool Victoria Legal Friendly Society* (1880), 42 L. T. 694; if, however, his dismissal had been wrongful, the fact of Position of collectors.

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his having paid money for the books in order to obtain the appointment as a collector might be a matter for a jury to consider in assessing damages for the wrongful dismissal: *Ib.*

An officer appointed to supervise a group of collectors is not entitled after leaving the society's service to give written lists of the members of the society to the officials of a rival society: *Liverpool Victoria Legal Friendly Society* v. *Houston* (1900), 3 Fr. 42. Where the rules of a society permit a collector on dismissal or resignation to nominate a successor subject to the society's approval, the society is not bound to approve: *Finlay* v. *Royal Liver Friendly Society* (1901), 4 Fr. 34; *Batty* v. *Scottish Legal Life Assurance Society* (1902), 4 Fr. 954.

Where the rules provide that collectors are to remain in office so long as their conduct is satisfactory to the committee, and an agreement made with a collector on his appointment provides that his employment may be discontinued by the committee on a fourteen days' notice, the committee cannot arbitrarily dismiss a collector so long as his conduct is satisfactory: *Tillotson* v. *Liverpool Victoria Legal Friendly Society* (1908), 124 L. T. J. 241.

A whole time deputy collector was appointed in accordance with the rules of a society by a collector, under whose direction and control the deputy remained, and by whom he was remunerated, and such deputy collector was held to come within a special scheme for the insurance industry made under s. 18 of the Unemployment Insurance Act, 1920: *Ex p. Incorporated Insurance Industry Unemployment Insurance Board* (1922), 38 T. L. R. 258.

The expression "premium" includes contribution:

The expression "collecting book" includes any book or document held by a collector in which payments of premiums are recorded:

The expression "premium receipt book" includes any book or document held by the owner of a policy in which acknowledgments of receipts of premiums payable in respect of the policy are entered:

The onus of proving that entries in a premium receipt book are wrong lies on the person alleging them to be incorrect: *Re Silk and Prudential Assurance Co.* (1924), R. I. A. C. 98.

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The expression "owner" in relation to any policy means the person who is for the time being the person entitled to receive the sums payable under the policy on maturity, and in the case of an illegal policy or a policy not within the legal powers of the society or company which issued it means the person who would be so entitled were the policy a legal policy or a policy within such powers:

The expression "rules" in relation to a company means the memorandum and articles of association of the company:

The expression "the Companies Acts" means the Companies Acts, 1908 to 1917, and any Acts repealed by the Companies (Consolidation) Act, 1908. 8 Edw. 7, c. 69.

Other expressions have the same meaning as in the Friendly Societies Act, 1896.

For the meaning of other expressions in this section, see F. S. A., s. 106 (p. 232).

(2) Where under this Act the Commissioner awards that a collecting society be dissolved and its affairs wound up, the award shall be made in the like manner and have the like consequences as if it were an award made under section eighty of the Friendly Societies Act, 1896, and may direct in what manner the assets are to be divided or appropriated:

Provided that the society may appeal against the award to the High Court or in the case of a society registered in Scotland to the Court of Session.

The power of the Commissioner to award a dissolution of a collecting society is for not complying with the provisions as to deposits: s. 7 (3); in consequence of the situation disclosed by an inspection into the society's affairs: s. 17 (3); or if a valuation discloses a deficiency: s. 18 (3). An appeal against the award of the Commissioner is regulated by R. S. C., Ord. LVB, rr. 49—58.

Ss. 45, 46.

(3) The application of this Act to Scotland, the Isle of Man, and the Channel Islands shall be subject to the same modifications as are expressed in the Friendly Societies Act, 1896, with respect to the application of that Act, and for the purposes of this Act the Isle of Man and the several Channel Islands shall be deemed to be counties.

See the F. S. A., s. 102, as to Scotland; s. 103, as to the Isle of Man; and s. 104, as to the Channel Islands.

hort title, xtent, com- nencement, nd repeal.

46.—(1) This Act may be cited as the Industrial Assurance Act, 1923.

(2) This Act shall extend to Great Britain, the Isle of Man, and the Channel Islands.

(3) This Act, except as otherwise expressly provided, shall come into operation on the first day of January, nineteen hundred and twenty-four.

(4) The enactments mentioned in the Fifth Schedule to this Act are, except so far as they relate to Ireland, hereby repealed to the extent specified in the third column of that schedule.

The following sections came into operation on 7th June, 1923:—s. 7, so far as it related to certain societies; s. 17, as to inspection; s. 28, as to certain lapsed policies; s. 30, as to War Bond policies; and s. 35, as to the notification of the appointment of officers. S. 24, relating to forfeited policies, is not to apply to a forfeiture occurring before 7th June, 1928.

SCHEDULES.

FIRST SCHEDULE.

Section 8.

SECTIONS OF ACT TO BE CONTAINED IN THE RULES OF COLLECTING SOCIETIES.

SECT.

5. Prohibition on issue of illegal policies.
9. Obligation to deliver policies and copies of rules.
15. Balance sheets and audit.
18. Provisions as to valuations.
19. General meetings.
20. Provisions as to proposals for policies.
21. Forms of policies.
22. Return of policies and premium receipt books after inspection.
23. Notice before forfeiture.
24. Provisions as to forfeited policies.
25. Substitution of policies.
26. Transfers from one society or company to another.
27. Payment of claims.
28. Policies to which 4 & 5 Geo. 5, c. 78, applies.
31. Saving for certain policies issued before 3rd December, 1909.
32. Disputes.
34. Restriction on employment of persons to procure new business.
40. Penalties for falsification.
41. Notices.

Sch. II.

ection 18.

SECOND SCHEDULE.

Additional Particulars as to Valuations.

1. An analysis as near as may be of the premium income of each of the five years preceding the valuation date into income arising from

(*a*) policies which were not of more than one year's duration at the date such income arose; and

(*b*) policies which were of more than one year's duration at the date such income arose.

Note: This analysis to be given separately for policies with weekly premiums and for policies with premiums payable at longer intervals than one week.

2. The amount, if any, by which the value of the Office Yearly Premiums as shown in respect of each item in the Form referred to under Heading No. 7 in the Fourth Schedule (A) to the Assurance Companies Act, 1909, has been reduced in order to secure that no policy shall be treated as an asset.

3. If the proportion of the annual premium income reserved as a provision for future expenses and profits as stated in answer to question 5 of the Fourth Schedule (A) to the Assurance Companies Act, 1909, is not uniform for all policies of the same class, specimens of the proportion so reserved in respect of policies effected at such ages and having been in force for such periods as the Commissioner may select.

4. Specimen values of the net liabilities under policies (exclusive of any bonuses added) according to the basis of valuation adopted, in respect of each of the principal classes of assurances for policies effected at such ages and of such durations as the Commissioner may select.

5. A statement of the actual number of deaths at ages over ten years in the five years preceding the valuation date under policies for the whole term of life in comparison with the number of deaths which would have occurred if the mortality experience had been in exact agreement with the table of mortality employed for the purpose of the valuation, to be given separately for decennial groups of ages.

THIRD SCHEDULE. Sch. III.

PROVISIONS OF ACT TO BE SET OUT IN POLICIES. Section 21.

PART I.

SECT.

20 (4). Provisions as to proposals for policies.
22. Return of policies and premium receipt books after inspection.
23. Notice before forfeiture.
24. Provisions as to forfeited policies.
25. Substitution of policies.
26. Transfers from one society or company to another.
27. Payment of claims.
32. Disputes.
41. Notices.

PART II.

23. Notice before forfeiture.
24. Provisions as to forfeited policies.
41. Notices.

NOTE.—The following is the statement (see s. 21) approved by the Commissioner which may be set out in a policy in lieu of the above-mentioned provisions:—

STATEMENT OF THE EFFECT OF CERTAIN PROVISIONS OF THE INDUSTRIAL ASSURANCE ACT, 1923.

Section 20 (4).—*Provisions as to Proposals for Policies.*

Where the proposal is filled in wholly or partly by a person employed by a society or company, the policy cannot be disputed on the ground that the proposal contains a misstatement except where a fraudulent misstatement which is material has been made by the proposer. Where, however, the age of the person whose life is to be assured has been wrongly stated, the society or company may adjust the terms of the policy to agree with the correct age at entry; and where a misstatement in regard to the health of the person whose life is to be assured has been made, the policy may be disputed on this ground within two years of the issue of the policy.

Section 22.—*Return of Policies and Premium Receipt Books after Inspection.*

A society or company, or any person employed by it, taking possession of a policy, premium receipt book or other document

Sch. III.

issued in connection with a policy must give a receipt for it, and must return it within twenty-one days unless all claims under the policy have been settled; but if, for the purpose of taking proceedings against a collector, it is necessary to keep any such document for a longer time, a certified copy must be given to the owner.

Section 23.—Notice before Forfeiture.

Before a policy can be forfeited for non-payment of premium, notice must be given to the person assured setting out the amount due and the place where payment must be made, and allowing twenty-eight days in which to pay the arrears.

Section 25.—Substitution of Policies.

Where the owner of a policy accepts a new policy in substitution for an existing policy, he shall be entitled to a surrender value or free paid-up policy of the amount provided under the Act, unless the value of the new policy is not less than such surrender value. On any such substitution of policies, particulars of the rights of the owner and a certified statement of the value of the old and new policies must be furnished to the owner by the society or company when the new policy and premium receipt book are delivered.

Where the value of the substituted policy is not less than the surrender value of the old policy, it will be reckoned as having been issued at the date of the issue of the old policy for the purpose of determining whether the owner is entitled to a free paid-up policy or surrender value under s. 24, which is set out below.

Section 26.—Transfers from one Society or Company to another.

A member of or person assured with a society or company shall not be transferred from the society or company with which he is assured so as to become a member of or be assured with another society or company without his written consent, or, in the case of an infant, the written consent of his parent or guardian. Such consent must be in the form prescribed by Regulation under the Act and must be accompanied by a statement showing the terms of the old and new policies, and the rights conferred by each. If any consideration has been or is to be paid for the transfer, this must be shown, and the name of the person receiving it given. The society or company to which the member or

person assured is transferred must furnish him with a copy of the aforesaid consent and statement; and must, within seven days of such consent being given, furnish the other society or company with a notice containing full particulars of the name and address of the member or person transferred and the number of his policy, together with the consent and statement aforesaid. As from the date of such notice the liability of the original society or company under its policy shall cease, and no notice of forfeiture need be given.

Section 27.—*Payment of Claims.*

Where a claim arising under a policy is paid, no deductions shall be made on account of any arrears of premiums due under any other policy.

Section 32.—*Disputes.*

In all disputes between a society or company and a member or person who is assured or has been assured by it, or a person who claims to be interested in a policy issued by it, such member or person may, notwithstanding anything in the rules of the society or company, apply to the county court, or, if the amount does not exceed 25*l.*, and at least fourteen days' notice of the application has been given to the society or company, to a court of summary jurisdiction for the place where such member or person resides, for a settlement of the dispute.

Alternatively such a dispute may be referred by the consent of both parties to the Industrial Assurance Commissioner; or if the amount involved does not exceed 50*l.*, and the legality of the policy is not questioned, and fraud or misrepresentation is not alleged, the matter may be referred to the Commissioner by either party to the dispute without the consent of the other.

Where a doubt arises as to the continued existence of a person whose life is assured, the Commissioner may award that the surrender value be paid to the owner of the policy, and such award shall be a discharge for all claims by or against the society or company in connection with the policy.

Any application to the Commissioner should be made by letter addressed to him at 17, North Audley Street, London, W.1.

Section 41.—*Notices.*

Where any notice is required by the Act to be served upon any person, the notice must be in writing or in print and must be either delivered or sent by post to him, but a notice of default

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may be left at his last known place of abode instead of being delivered or sent by post.

The following section does not apply in the case of a forfeiture occurring before the 7th June, 1928:—

Section 24.—Provisions as to Forfeited Policies.

Where notice of the forfeiture of a policy by reason of default in the payment of any premium thereunder has been served on the owner of the policy, he shall be entitled, at his option, either to the rights conferred on him by the rules of the society or the conditions of the policy, or, on making application within one year of the date of such notice to the society or company issuing the policy, to a free paid-up policy of an amount not less than that provided by the Act. In the latter case, at least five years' premiums must have been paid, or where the policy is for a term of less than twenty-five years, three years' premiums; and in the case of whole life policies or those for a term of at least fifty years, the person whose life is assured must have attained the age of fifteen years at the time of default.

If the owner of the policy permanently resides outside England, Scotland, Wales, the Isle of Man, and the Channel Islands, or submits satisfactory proof that he intends so to reside, or if the person whose life is assured has disappeared and his existence is in doubt, a cash surrender value can be obtained in place of the free paid-up policy.

The society or company must supply information as to the amount of the free paid-up policy or surrender value on application by the owner of the policy to the head office.

Approved by the Industrial Assurance Commissioner.

STATEMENT OF THE EFFECT OF SECTION 62 OF THE FRIENDLY SOCIETIES ACT, 1896, AS AMENDED BY SECTION 2 OF THE FRIENDLY SOCIETIES ACT, 1924.

To appear on every policy on the life of a child under ten years of age.

It is illegal for any collecting society or industrial assurance company to insure or pay on the death of a child any sum of money which exceeds, or which added to any amount payable on the death of the child by any other friendly society or branch or any other industrial assurance company or any trade union exceeds, 6*l.* if the child dies under three years of age, 10*l.* if it dies under six, or 15*l.* if it dies under ten.

Approved by the Industrial Assurance Commissioner.

FOURTH SCHEDULE.

Rules for Valuing Policies.

1. The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus added thereto, and the present value of the future net premiums. Sections 24, 25, 29.

2. The net premium is to be such premium as according to the assumed rate of interest and rate of mortality and the age of the person whose life is assured at his birthday next following the date of the policy is sufficient to provide for the risk incurred by the company or society in issuing the policy, exclusive of any addition thereto for office expenses and other charges:

Provided that—

(*a*) In the case of a policy other than a policy for the whole term of life issued before the person whose life is assured attained the age of ten years, the date of the policy may be assumed to be one year after the actual date, and, if it is so assumed, the term of the policy may be assumed to be one year less than the actual term:

(*b*) In the case of a policy for the whole term of life issued before the person whose life is assured attained the age of ten years, no account shall be taken of any period for which the policy was in force before the anniversary of the date of the issue of the policy next preceding the date on which the age of eleven years was attained:

(*c*) In the case of a substituted policy, the net premium shall be calculated with reference to such sum as, according to the practice of the society or company for the time being, would have been assured by the premiums payable if the person upon whose life the substituted policy is issued had not been assured with the society or company before the issue of that policy.

Rule for ascertaining the amount of a Free Paid-up Policy.

The amount of a free paid-up policy is to be a sum bearing the same proportion to seventy-five per cent. of the value of the policy as the sum of one pound bears to the value of the

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reversion in the sum of one pound according to the contingency upon which the sum assured under the original policy was payable.

GENERAL RULES APPLICABLE BOTH FOR VALUING POLICIES AND FOR ASCERTAINING THE AMOUNT OF A FREE PAID-UP POLICY.

1. Interest is to be assumed at the rate of four per centum per annum.

2. The rate of mortality is to be assumed according to the table contained in the Sixth column of Table G. in the Supplement to the Sixty-fifth Annual Report of the Registrar-General.

3. The age of the person whose life is assured shall be obtained by adding to the age attained by him at his birthday next after the date of the issue of the policy, the duration of the policy in completed years at the date as at which the value of the policy is required to be ascertained.

4. In the case of a policy issued for a term other than the whole term of life, the remaining term at the date at which the value of the policy is required to be ascertained shall be obtained by deducting from the original term of the policy the duration of the policy in completed years at that date.

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ection 46.

FIFTH SCHEDULE.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
59 & 60 Vict. c. 26.	The Collecting Societies and Industrial Assurance Companies Act, 1896.	The whole Act.
9 Edw. 7, c. 49.	The Assurance Companies Act, 1909.	Section thirty-six.
12 & 13 Geo. 5, c. 50.	The Expiring Laws Act, 1922.	So far as it continues the provisions of the Courts (Emergency Powers) Act, 1914, relating to policies of insurance.

THE FRIENDLY SOCIETIES ACT, 1924.

14 & 15 Geo. 5, c. 11.

An Act to amend sections one, sixty-two and sixty-five of the Friendly Societies Act, 1896, *and for purposes connected therewith.* [29th May, 1924.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Qualifications for office of Chief Registrar. 59 & 60 Vict. c. 25.

1. A person who has held the office of Assistant Registrar for not less than five years shall be qualified to be appointed Chief Registrar, and accordingly section one of the Friendly Societies Act, 1896, shall have effect as if in subsection (4) thereof, after the words "of not less than twelve years' standing," there were inserted the words "or a person who has held the office of Assistant Registrar for not less than five years."

Assurances on children's lives.

2.—(1) Section sixty-two of the Friendly Societies Act, 1896 (which relates to assurances on children), both as originally enacted and as applied to trade unions and industrial assurance companies, shall have effect as if for that section the following section were substituted:—

"A society or branch, whether registered or unregistered, shall not insure or pay on the death of a child under the ages hereinafter specified any sum of money which exceeds or which, when added to any amount payable on the death of that child by any other society or branch or by any trade union or industrial

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assurance company exceeds, the amounts hereinafter specified; that is to say:—

"(*a*) In the case of a child under three years of age, six pounds;

"(*b*) In the case of a child under six years of age, ten pounds;

"(c) In the case of a child under ten years of age, fifteen pounds."

[See F. S. A., s. 62, p. 137.]

(2) Section sixty-five of the Friendly Societies Act, 1896, shall have effect as if for the words "five years" there were substituted the words "three years," and as if for the words "ten years" there were substituted the words "six years," and as if at the end of subsection (1) thereof there were inserted the words "or for the payment in the whole of a sum exceeding fifteen pounds on the death of a child under ten years."

13 & 14 Geo. 5, c. 8.

(3) Subsection (1) of section four of the Industrial Assurance Act, 1923, shall be repealed from the words "except that" to the end of the subsection.

Short title, construction and extent.

3.—(1) This Act may be cited as the Friendly Societies Act, 1924, and shall be construed with the Friendly Societies Acts, 1896 and 1908, and those Acts and this Act may be cited together as the Friendly Societies Acts, 1896 to 1924.

(2) This Act shall not extend to Northern Ireland.

INDUSTRIAL AND PROVIDENT SOCIETIES.

INTRODUCTION.

I.—History of Legislation.

The Friendly Societies Act, 1834, authorised the registration of a society for friendly society purposes, and "any other purpose which is not illegal," and this general purpose was better defined by the Amending Act of 1846, which besides the usual purposes of friendly societies authorised registration for the purpose of "the frugal investment of the savings of the members for the better enabling them to purchase food," &c. It was under these provisions that co-operative (or industrial and provident) societies were at first certified. Co-operative societies are usually divided into two classes, viz., productive, *i.e.*, industrial, and distributive, *i.e.*, provident.

4 & 5 Will. 4 c. 40.

9 & 10 Vict. c. 27.

In 1852 appeared the first Act specially dealing with societies of this kind, viz., the Industrial and Provident Societies Act, 1852, which authorised the formation of societies "for attaining any purpose or object for the time being authorised by the laws in force with respect to friendly societies, or by this Act by carrying on or exercising in common any labour, trade or handicraft, or several labours, trades or handicrafts," except the working of mines, minerals or quarries, beyond the limits of the United Kingdom, and the business of banking. The Act

15 & 16 Vict. c. 31.

was applied to all societies already established as soon as they conformed to its provisions. Most of the provisions relating to friendly societies were made applicable to societies constituted under this Act except so far as varied by it or certified by the registrar to be inapplicable; in particular, the Act withheld from such societies the privileges of priority over other creditors as to the estate of officers, and exemption from stamp duties in certain cases.

Vict. c. 25. The Act of 1852 was amended by the Industrial and Provident Societies Act, 1854, which made various provisions for the better enabling legal proceedings to be carried on in matters concerning societies registered under the Act of 1852, and in 1856 the Act, 19 & 20 Vict. c. 40, was passed to explain the Act of 1854.

Many societies were formed under the Acts of 1852, 1854 and 1856, and these Acts were consolidated and

& 26 Vict. 87. amended by the Industrial and Provident Societies Act, 1862, which authorised the establishment of societies for "the purpose of carrying on any labour, trade or handicraft, whether wholesale or retail, except the working of mines and quarries, and except the business of banking." Societies registered under this Act were made bodies corporate, and existing societies were authorised to be registered under it; the Act exhibited a general tendency to assimilate the law affecting these societies to that relating to companies, although certain provisions of the Friendly Societies Acts were still made applicable, particularly some exemption from stamp duties and the power for a member to nominate persons into whose name his interest might be transferred at his death. To remove doubts as to the effect of the Act of 1862, and in other respects

0 & 31 Vict. 117. to amend it, the Industrial and Provident Societies Act, 1867, was passed, which was in its turn amended and

4 & 35 Vict. 80. explained by the Industrial and Provident Societies Act, 1871.

In 1876, in order to consolidate and amend the law relating to co-operative societies and assimilate the same

in certain respects to the law relating to friendly societies, the Industrial and Provident Societies Act, 1876, was passed. This Act authorised the registration of societies for carrying on any labour, trade or handicraft, whether wholesale or retail, including the buying and selling of land, but as to the business of banking subject to the restrictions of the Act. Societies continued to be corporate bodies, and were no longer subject to any of the provisions of the Acts relating to friendly societies except such as were re-enacted by the Act of 1876, amongst which the exemption from stamp duties was not included, this privilege being thus finally withdrawn from co-operative societies; but certain amendments were adapted from the F. S. A., 1875, *e.g.*, provisions authorising the membership of minors, and empowering the chief registrar, in certain cases, to direct the transfer of stock standing in the name of a trustee for the society.

39 & 40 Vict c. 45.

The Industrial and Provident Societies Act, 1893, again consolidated and amended the law, but did not materially affect the character of the existing legislation; the principal changes were an amendment in the definition of registered societies (see p. 370) which appears to have enlarged the scope of the Act, a modification of the right of inspection of books by members, an extension of the maximum limit of deposits receivable by a society, an enlargement of the power of recovering debts from members, and of investing money of the society; and power to convert a company into a society under the Act. This Act together with the Industrial and Provident Societies Act, 1894, relating to the island of Jersey, and the Industrial and Provident Societies Act, 1895, which effects an amendment relating to appeals from the assistant registrars, and the Industrial and Provident Societies Act, 1913, which further amended the principal Act, are the statutes at present in force regulating industrial and provident societies, which now number some thousands.

56 & 57 Vict c. 39.

57 Vict. c. 8
58 & 59 Vict c. 30.

A society which is a public utility society for the

purpose of the Housing Acts may obtain loans from the Public Works Commissioners on certain terms, or such a society may, subject to certain consents and conditions, be promoted, extended or assisted by a local authority or county council by grant, loan, subscription of capital or guarantee. Societies for providing or working small holdings or allotments may obtain assistance from local authorities. Societies being agricultural credit societies may receive advances under the Agricultural Credits Act, 1923.

II.—Summary of the Acts.

bjects of cieties.

Societies which may be registered under this Act must be "for carrying on any industries, businesses or trades specified in or authorised by its rules whether wholesale or retail, including dealings of any description in land" (s. 4), but societies doing a banking business are subject to special conditions (s. 19).

egistration.

To obtain registration under the Act, the prescribed conditions must be complied with (s. 5), whereupon, subject to an appeal (s. 7), there is issued the acknowledgment of registry (s. 6), which is evidence of due registration: s. 8. Any existing society is deemed registered under the Act (s. 3), its rules being valid to the extent only that they are not contrary to the express provisions of the Act. The effect of registration is that the society becomes a body corporate (s. 21) empowered to hold land (ss. 36, 37) under its registered rules, which bind all the members as if contained in a deed executed by them (s. 31), but can be altered by amendments registered in the prescribed manner (s. 10).

uties of cieties.

Certain duties are imposed on a registered society, viz., to have a registered office (s. 11); to use its name correctly in connection with its business (s. 12); to have proper audits of its accounts (s. 13), and publish its balance sheets (s. 16); to make returns in due form to the

registrar annually (s. 14; P. S. A., 1913, s. 3), and supply copies thereof to members and others (s. 15); to keep a proper register of members (s. 34); and to supply triennial returns of shareholders (P. S. A., 1913, s. 4).

Privileges of societies.

A registered society has certain privileges against its members and others, viz., all debts due from a member are recoverable in the county court, and the society has a lien on the members' shares (s. 23); the society can obtain transfers by the chief registrar of stock belonging to it when a trustee is absent, &c. (s. 31), and may distribute the interests in the society of members who have died intestate (s. 27) or are lunatic (s. 29); minors over sixteen may be members of a society (s. 32); the making of contracts by the society is facilitated by s. 35, and ss. 38, 39 enable the society to invest its surplus funds; the society can discharge mortgages made to it by an endorsed receipt (ss. 43, 44), can compel its officers to account and take summary proceedings against them for this purpose (ss. 47, 48), and provide by its rules for the settlement of disputes with its members (s. 49). Some societies may claim exemption from income tax: see Income Tax Act, 1918.

Rights of members.

A member of a registered society has a limited right to inspect the society's books (s. 17), and may nominate persons to succeed on his death to his interest in the society (s. 25; P. S. A., 1913, s. 5), and although he may be sued for what he owes the society (s. 23), his liability in a winding-up is limited (s. 60). At the instigation of a certain number of the members collectively, the registrar can appoint an accountant to examine the books of the society and report thereon (s. 18), or can appoint an inspector to investigate the affairs of the society generally, or can call a special meeting of the society (s. 50).

Special resolution.

By a special resolution (s. 51) duly registered (s. 56), a society can change its name (s. 52), or may determine to amalgamate with another society (s. 53), or convert itself into or amalgamate with a company (s. 54), whilst,

on the other hand, a company is empowered to convert itself into a society registered under the Act (s. 55).

Termination of the society.

The society may have its registry either cancelled or suspended by the registrar (s. 9), and in addition it may be duly wound up either voluntarily by an instrument of dissolution (s. 61), or compulsorily by the Court as if it were a company (s. 60).

Offences, &c.

Offences under the Act, and the penalties for the same and the procedure for the recovery of penalties, are dealt with in ss. 62—70; P. S. A., 1913, ss. 10, 11. By s. 64, co-operative societies have the like summary remedy against persons withholding or misapplying the society's property as friendly societies have.

Supplemental provisions.

Supplemental provisions as to fees, and the making of regulations by the Treasury to facilitate the working of the Act and other matters are contained in ss. 71—75, whilst ss. 76, 77 contain variations to adapt the Act to the Channel Islands.

THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1893.

56 & 57 Vict. c. 39.

An Act to consolidate and amend the Laws relating to Industrial and Provident Societies.

[12th September, 1893.]

WHEREAS it is expedient to consolidate and amend the law relating to industrial and provident societies:

The Preamble was repealed by the Statute Law Revision Act, 1908.

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Preliminary.

1. This Act may be cited as the Industrial and Provident Societies Act, 1893. Short title of Act.

2. This Act *shall come into operation on the first day of January next after the passing thereof, and* shall extend to Great Britain and Ireland and the Channel Islands. Extent of Act.

See note to F. S. A., s. 108 (p. 234). This Act does not extend to the Isle of Man.

The words in italics were repealed by the Statute Law Revision Act, 1908 (8 Edw. 7, c. 49).

3. Every incorporated society now existing which has been registered or certified under any Act relating to industrial and provident societies shall be deemed to be a society registered under this Act, and its rules shall, so far as the same are not contrary to any express provision of this Act, continue in force until altered or rescinded. Existing societies.

Ss. 3, 4.

For the previous Acts, see Introduction (p. 363) and note to F. S. A., s. 101 (p. 226). This section does not apply to those unincorporated societies registered prior to the 7th August, 1862, which have not since become incorporated by registration under the Act of 1862 or the subsequent Acts: see s. 5 (4).

This section validates the rules of an existing society so far as they are not contrary to the Act, and on the other hand an existing society or its members may exercise any power conferred by this Act, and not thereby made to depend on the rules, notwithstanding any rule to the contrary which has been certified previously to this Act: s. 22.

Registration of Societies.

ocieties hich may be egistered.

4. A society which may be registered under this Act (herein called an industrial and provident society) is a society for carrying on any industries, businesses, or trades specified in or authorised by its rules, whether wholesale or retail, and including dealings of any description with land. Provided that—

(a) No member other than a registered society shall have or claim any interest in the shares of the society exceeding two hundred pounds, and

(b) In regard to the business of banking, the society shall be subject to the provisions herein-after contained.

A society registered under this Act must have for its objects the carrying on of some industry, business, or trade which may include dealing in land. A society capable of being registered under this Act might in some cases be registered under the Friendly Societies Act as a specially authorised society (p. 28), or as a certified loan society under the Loan Societies Act, 1840 (3 & 4 Vict. c. 110), or in general under the Companies Acts, 1908 to 1917. But such a society, unless registered under the last-mentioned Acts or formed in pursuance of some other Act of Parliament, or of letters patent, or being a company engaged in working mines within the stannaries and subject to the jurisdiction of the Court exercising the stannaries jurisdiction, would, unless its membership is limited to twenty, be an illegal association (see p. 37).

A society registered under this Act has some advantages over a

company registered under the Companies Acts, amongst which the following may be mentioned:—The fees payable on registration are in general less (p. 447), the capital is not fixed and may be withdrawable (p. 457), stock in the funds in the names of trustees for the society may in certain cases be inexpensively transferred to new trustees by direction of the registrar (s. 31), minors over sixteen may be members and give valid receipts (s. 32), the society may discharge mortgages by an endorsed receipt (ss. 43, 44), provision may be made for the determination of disputes by arbitration or tribunals other than the High Court (s. 49), members may dispose of their interest in the society at death by nomination without will, or such interest may be distributed by the committee (ss. 25—30), officers may be compelled to account and deliver up property of the society by proceedings in the county court or before the magistrates (ss. 47, 48), the society has a summary remedy for the recovery of its property (s. 64), and in some cases is exempt from income tax (s. 24), and can be dissolved by a written instrument as well as by winding-up under the Companies Acts.

A society has power to do all acts which are directly incidental to the purpose, the carrying on of which it is incorporated, *e.g.*, to take apprentices in that trade: *Burnley Equitable and Co-operative Industrial Society* v. *Casson*, (1891) 1 Q. B. 75.

Promotion of small holdings.

Under the Small Holdings and Allotments Acts, 1908 to 1919, a county council has power, with the consent of the Ministry of Agriculture and Fisheries, to let or sell one or more small holdings to an association formed for the purposes of creating or promoting the creation of small holdings and so constituted that the division of profits amongst the members of the association is prohibited or restricted, and a borough urban district or parish council has the same power of letting or selling one or more allotments to an association formed for the purposes of creating or promoting the creation of allotments as may be exercised as respects small holdings by a county council: Small Holdings and Allotments Act, 1908 (8 Edw. 7, c. 36), ss. 9 (2), 27 (6); Land Settlement (Facilities) Act, 1919 (9 & 10 Geo. 5, c. 59), s. 25, Sch. II. A form of rule for the purpose which was settled by the Ministry of Agriculture and Fisheries and the chief registrar is given on p. 600. The rule is intended to separate the accounts and profits relating to small holdings from the general funds of the society, the profits of the former being restricted: (1907), R. C. R. 10. A county or borough or urban district council may promote the formation or extension of, and

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may, subject to the Act, assist societies on a co-operative basis, having for their object or one of their objects the provision or the profitable working of small holdings or allotments, whether in relation to the purchase of requisites, the sale of produce, credit banking, or insurance or otherwise, and with the consent of the Ministry of Health may make grants or advances to the society, or guarantee advances made to the society; where the Ministry themselves provide small holdings, they may in certain cases exercise the powers of a county council, and the Ministry may, with the consent of the Treasury, make grants upon certain terms to any society having as its object or one of its objects the promotion of co-operation in connection with the cultivation of small holdings or allotments: Small Holdings and Allotments Act, 1908, s. 49; Land Settlement (Facilities) Act, 1919, s. 25, Sch. II. Under the Agricultural Credits Act, 1923 (13 & 14 Geo. 5, c. 34), s. 1, an association registered under the I. & P. A. having for its object or one of its objects the provision of small holdings or allotments, if it complies with certain conditions, may obtain advances from the Public Works Loan Commissioners on mortgage: see p. 470.

Public utility societies.

A society registered under this Act may be a "public utility society" for the purposes of the Housing Act, 1925, and the Housing (Scotland) Act, 1925. A public utility society in those Acts means a society registered under the I. & P. Acts, 1893 to 1913, the rules whereof prohibit the issue of any share or loan capital with interest or dividend exceeding the rate for the time being prescribed by the Treasury: Housing Act, 1925 (15 Geo. 5, c. 14), s. 135; Housing (Scotland) Act, 1925 (15 Geo. 5, c. 15), s. 119.

A local authority within the meaning of Part III. of the Housing Act, 1925, or a county council may promote the formation and extension of, or subject to the provisions of the Act, assist a public utility society whose objects include the erection, improvement, or management of dwelling-houses for the working classes, and with the consent of the Minister of Health may, for the assistance of such a society, make grants or loans to the society, or subscribe for any share or loan capital of the society, or guarantee or join in guaranteeing the payment of interest on money borrowed by the society, or of any share or loan capital issued by the society, and notwithstanding s. 4 of the I. P. A., where a local authority or county council assist such a society, the local authority or county council shall not be prevented from having or claiming an interest in the shares of the society exceeding 200*l.*: Housing Act, 1925, s. 70.

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The Public Works Loan Commissioners may advance on loan to a public utility society established for the purpose of constructing or improving or of facilitating or encouraging the construction or improvement of dwelling-houses for the working classes, or for trading or manufacturing purposes, in the course of whose business or in the discharge of whose duties persons of the working classes are employed, moneys for the purpose of constructing or improving or of facilitating or encouraging the construction or improvement of dwelling-houses for the working classes, and for the purchase of houses which may be made suitable as dwelling-houses for the working classes, and for the purchase and development of land, and any such society may borrow from the Commissioners such money as may be required for the purposes aforesaid: Housing Act, 1925, s. 90.

Similar provisions as to Scotland are contained in the Housing (Scotland) Act, 1925, ss. 57, 73.

Garden cities

Where the Minister of Health is satisfied that any authorised association is prepared to purchase and develop, in accordance with a scheme approved by the Minister, any land as a garden city (including a garden suburb or a garden village), or any land in regard to which a town planning scheme may be made, and has funds available for the purpose, he may acquire the land on behalf of the association and do all such things as may be necessary to vest the land so acquired in the association: "authorised association" means any society approved by the Minister whose objects include the promotion, formation, and management of garden cities (including garden suburbs and garden villages), and the erection, improvement, or management of buildings for the working classes or others which does not trade for profit, or whose constitution forbids the issue of any share or loan capital with interest or dividend exceeding the rate for the time being prescribed by the Treasury: Town Planning Act, 1925 (15 Geo. 5, c. 16), s. 16; Town Planning (Scotland) Act, 1925, s. 15.

The Ministry of Health may make contributions to the expenses of public utility societies willing to undertake the construction of houses of the type and size mentioned in the Act: Housing, &c. Act, 1923, s. 3; see also the Housing (Financial Provisions) Act, 1924 (14 & 15 Geo. 5, c. 35), ss. 3 (2), 9.

A local authority may, for the purposes of the Part III. of the Housing Act, 1925, undertake to guarantee the repayment to a society incorporated under the I. P. A. of any advances with interest thereon made by the society to any of its members for

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the purpose of enabling them to build houses or acquire houses, the construction of which was commenced after the 25th April, 1923: Housing Act, 1925, s. 92.

By the Housing Act, 1925, s. 71, any society established for trading or manufacturing purposes in the course of whose business or in the discharge of whose duties persons of the working class are employed, may and is thereby (notwithstanding any Act of Parliament or any rule of law or equity to the contrary) authorised at any time to erect either on its own land or any other land (which it is thereby authorised to purchase and hold for the purpose and to pay for out of any funds at its disposal) houses for the accommodation of all or any of the persons of the working class employed by it.

Agricultural credit societies.

The Agricultural Credits Act, 1923 (13 & 14 Geo. 5, c. 34), s. 2, empowers the Minister of Agriculture and Fisheries to promote the formation or extension of agricultural credit societies, *i.e.*, societies approved by the Minister and registered under the I. P. A. having for their object, or one of their objects, the making advances to members of the society, repayable within a period not exceeding five years, for such agricultural purposes as may be approved by the Minister, and to make advances to any such society. In respect of such societies in receipt of financial assistance certain restrictions are placed on their rules, and further powers over them are conferred on the Registrar: see pp. 472, 475.

In some cases housing societies issue policies to cover the difference between the purchase price and the mortgage advance in respect of houses sold to their members: the issue of such policies appears to be of the nature of bond investment business, as to which see the I. A. A., s. 42.

Limit on interest of a member.

The shares of a registered society may be held by another registered society (s. 38), or by any body corporate (s. 42), but the holding of any body corporate other than a registered society is limited by proviso (a). A local authority or county council assisting a registered society which is a public utility society (see *ante*) can have or claim an interest in its shares exceeding 200*l.*: Housing Act, 1925, s. 70; Housing (Scotland) Act, 1925, s. 57. For the effect of this limit on a member's interest see ss. 26 (1) and 55. In the case of agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies, the limit on a member's interest imposed by this section does not apply, and if an advance has been made to the society, not more than five shillings shall without the consent of the Minister of Agriculture and Fisheries be called up in respect of each pound

of the share capital, except for the purpose of winding-up or dissolving the society: p. 476. Ss. 4, 5.

The special provisions applicable to societies carrying on the business of banking are contained in s. 19. Banking business.

A society registered under this Act might be an approved society under the N. H. I. A., 1924, which, by s. 73 thereof, authorises the making of regulations in respect of such societies as to administration accounts and expenses and raising of levies. Approved societies.

A society under this Act carrying on the business of a club will be subject to the provisions of, and require registration under, the Licensing Acts, 1910 and 1921: see p. 272. Clubs.

5. With respect to the registry of new societies the following provisions shall have effect:— Conditions o registration.

(1.) No society can be registered under this Act which does not consist of seven persons at least:

See F. S. A., s. 9 (1) (p. 39). If the number of members falls below seven, the society may be wound up by the Court: s. 58, p. 433. Registration makes the society a corporate body: s. 21; and it may hold land (unless prohibited by its rules from so doing): s. 36. Number of members.

A society which consists solely of two or more registered societies may also be registered: P. S. A., 1913, s. 1 (p. 466). The object of this amendment was to enable joint undertakings to be carried on more easily.

For the fees payable on registry, see p. 447.

(2.) For the purpose of registry an application to register the society, signed by seven members and the secretary, and two printed copies of the rules, shall be sent to the registrar:

See F. S. A., s. 9 (2), p. 40. Every application to register a society shall be in Form A. (p. 555), and shall be sent to the registrar: P. S. R. 1. In the case of a society consisting solely of two or more registered societies the application to register must be signed by two members of the committee and the secretary of each of the constituent societies, and accompanied by two printed copies of the rules of each such society: P. S. A., 1913, s. 1. No list of the officers is required to be sent with Application to register.

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the application. For the matters to be provided for in the rules, see s. 10 (1), and as to the binding effect of the rules, see s. 22. The Act does not recognise branches of a society. No full set of model rules has been drawn up by the central office for the use of societies under this Act, though a form embodying the statutory requirements which must, and other provisions which may, be inserted has been drawn up: see p. 592. The registrar is prepared to accept as in conformity with the Act forms of model rules which have been drawn up by certain organising associations: if a society applying for registration uses one of these models and forwards the application through the association, a reduced fee may be accepted for the acknowledgment of registry in lieu of the prescribed fee of 10*l.*: p. 449.

(3.) No society shall be registered under a name identical with that under which any other existing society is registered, or so nearly resembling such name as to be likely, or in any name likely, in the opinion of the registrar, to mislead the members or the public as to its identity, and no society shall change its name except in the manner herein-after provided:

ame of ciety.

See F. S. A., s. 10, p. 48. A society will not be registered as "The ——— company." The word "limited" must always be the last word in the name: sub-s. 5. As to changing the name, see s. 52.

(4.) A society registered under the Industrial and Provident Societies Act, 1852, and not registered under the Industrial and Provident Societies Acts, 1862, 1867, or 1876, may obtain from the registrar an acknowledgment of registry under this Act:

Unincorporated registered societies.

This sub-section provides for those societies which were registered before the privilege of incorporation was granted to societies by the Industrial and Provident Societies Act, 1862 (25 & 26 Vict. c. 87); the property of these societies is vested in trustees, and they sue and are sued by officers appointed for the purpose. By the acknowledgment of registry, which is issued in the existing name with the addition of the word "limited," the

society becomes incorporated with limited liability (*Fountain's Case* (1865), 34 L. J. Ch. 593), and all its property vests in it (s. 21), and pending legal proceedings by or against the trustees do not abate (*ib.*). For the fee payable on the acknowledgment of registry, see p. 447. Such societies until they obtain incorporation in the manner hereby provided appear not to be subject to this Act, as s. 3 does not apply to them, and, as the Act of 1852 under which they were certified, and the Acts relating to friendly societies therein referred to, have been repealed, the position of such societies is difficult to define.

(5.) The word "limited" shall be the last word in the name of every society registered under this Act:

Penalty for improper use of word "limited."

If any person or persons trade or carry on business under any name or title of which "limited" is the last word, that person or those persons shall, unless duly incorporated with limited liability, be liable to a penalty not exceeding five pounds for every day upon which that name or title has been used: Companies (Consolidation) Act, 1908 (8 Edw. 7, c. 69), s. 282. As to publication of the name of the society, see s. 12 (p. 387).

(6.) A society carrying or intending to carry on business in more than one part of the United Kingdom shall be registered in the part in which its registered office, as herein mentioned, is situate; but copies of the rules of the society and of all amendments of the same shall, when registered, be sent to the registrar of each of the other parts to be recorded by him, and until such rules are so recorded the society shall not be entitled to any of the privileges of this Act in the part in which such rules have not been recorded, and until such amendments are so recorded the same shall not take effect in such part.

Recording of rules.

See F. S. A., s. 14 (p. 56). An application to record in one part of the United Kingdom rules or amendment of rules registered in another shall be made by the secretary or other officer of the society in Form E. or E*a*. (p. 558), and shall be accompanied by two copies of such rules or amendments under the seal of the central office or the signature of the assistant registrar for

Ss. 5—8.

Scotland or Ireland as the case may be: P. S. R. 5. Rules or amendments of rules shall be recorded by writing at the foot or end of each copy the word "recorded," and by affixing to the same the seal of the central office or the signature of the assistant registrar for Scotland or Ireland as the case may be: P. S. R. 5*a*.

Acknowledgment of registry.

6. The registrar, on being satisfied that a society has complied with the provisions as to registry in force under this Act, shall issue to such society an acknowledgment of registry.

Cf. F. S. A., s. 11 (p. 49). For the effect of the acknowledgment, see s. 8. For form of acknowledgment, see Sch. IV., p. 461.

Appeals from refusal to register.

7.—(1.) If the registrar refuses to register the society or any rules or amendments of rules, the society may appeal from such refusal as follows:—

(a) In England or Ireland to the High Court;

(b) In Scotland to either division of the Inner House of the Court of Session.

(2.) If the refusal of registry is overruled on appeal, an acknowledgment of registry shall thereupon be given to the society by the registrar.

The Industrial and Provident Societies (Amendment) Act, 1895 (58 & 59 Vict. c. 30), s. 3, substituted for sub-s. 1 of the Act of 1893 a fresh sub-section (see p. 464), which has the effect that appeals from the assistant registrar of Scotland are in the first instance to the chief registrar, and from him to the Court.

See F. S. A., s. 12 (p. 51).

It is the practice of the central office to consider objections to the registration of rules or amendments of rules where the objections are such as to suggest that the rules or amendments were not properly passed, or were *ultra vires* or illegal: see (1916), R. C. R. 42.

For the procedure on appeals under this section, see the Industrial and Provident Societies Act Rules, 1916, *post*, p. 488.

Effect of acknowledg-

8. The acknowledgment of registry shall be conclusive evidence that the society therein mentioned is duly regis-

tered, unless it is proved that the registry of the society has been suspended or cancelled. Ss. 8, 9.

ment of registry.

See F. S. A., s. 11 (p. 49).

Cancelling and Suspension of Registry.

9.—(1.) The registrar may cancel the registry of a society by writing under his hand or seal: Cancelling and suspension of registry.

(a) If at any time it is proved to his satisfaction that the number of the members of the society has been reduced to less than seven, or that an acknowledgment of registry has been obtained by fraud or mistake, or that the society has ceased to exist;

(b) If he thinks fit, at the request of a society, to be evidenced in such a manner as he shall from time to time direct;

(c) With the approval of the Treasury, on proof to his satisfaction that the society exists for an illegal purpose, or has wilfully and after notice from a registrar violated any of the provisions of this Act.

See F. S. A., s. 77 (p. 181). The events upon which cancelling of registry can take place are the same as in the case of a friendly society with the additional event of the membership being reduced below seven.

The registrar may, on the application of the Minister of Agriculture and Fisheries, cancel the registry of a society to which s. 2 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section (see p. 475). Agricultural credit societies.

(2.) The registrar, in any case in which he might, with the approval of the Treasury, cancel the registry of a society, may suspend the same, by writing under his hand or seal, for any term not exceeding three months, and may, with the approval of the Treasury, renew such suspension from time to time for the like period.

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(3.) Not less than two months' previous notice in writing, specifying briefly the ground of any proposed cancelling or suspension of registry, shall be given by the registrar to a society before the registry of the same can be cancelled (except at its request) or suspended; and notice of every cancelling or suspension shall be published in the Gazette, and in some local newspaper circulating in or about the locality in which the registered office of the society is situated, as soon as practicable after the same takes place.

Applications to cancel registry.

Every request to cancel registry shall be sent to the registrar in Form F. (p. 558), and shall name some newspaper circulating in or about the locality in which the registered office of the society is situated, wherein it is desired that the cancelling of registry shall be published, and shall be accompanied by the sum requisite to defray the expense of such publication, and by the further sum of 5*s*. 6*d*. for publication of such cancelling in the Gazette: P. S. R. 6. The sum of 5*s*. 6*d*. is increased as from 10th June, 1921, to 8*s*. 3*d*. for the London Gazette, and as from 27th June, 1921, to 7*s*. 6*d*. for the Edinburgh Gazette: S. R. O., 1921, Nos. 1066, 1100. Where application is made to cancel registry under the compulsory powers of the registrar, the registrar may require such application to be made *in duplicate* in such form, and to be supported by such statutory declaration as the chief registrar may direct, and shall transmit one copy of such application to the Treasury for their consent: P. S. R. 7. Notice before cancelling or suspension of registry shall be in Form G. (p. 559): P. S. R. 8. The cancelling of registry shall be in Form H. (p. 559), and the suspension or renewal of suspension of registry shall be in Form I. (p. 559): P. S. R. 9. The advertisement of cancelling or suspension shall be in Form J. (p. 559): P. S. R. 10.

(4.) A society may appeal from the cancelling of its registry, or from any suspension of the same which is renewed after three months, in manner herein provided for appeals from the registrar's refusal to register.

Appeals.

For the manner of appealing, see s. 7 (p. 378).

(5.) A society whose registry has been suspended or cancelled shall from the date of publication in the Gazette

of notice of such suspension or cancelling (but, if suspended, only whilst such suspension lasts, and subject also to the right of appeal hereby given) absolutely cease to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by such society, which may be enforced against the same as if such suspension or cancelling had not taken place. Ss. 9, 10.

It is presumed that the effect of cancelling and of suspension (so long as it lasts) is that the society ceases to be a corporate body: see s. 21. If in this state it continue business it may become subject to penalties, whilst enjoying none of the privileges of a registered society: cf. p. 184. Effect of cancelling or suspension of registry.

Rules.

10.—(1.) The rules of a society registered under this Act shall contain provisions in respect of the several matters mentioned in the Second Schedule to this Act. Rules and amendments.

All the matters mentioned in Sched. II. (p. 456) must be dealt with in the rules either by way of exclusion or otherwise. Referring to the several clauses of Sched. II., the following points should be noticed:— Contents of the rules.

The object must be the carrying on of some industry, business, or trade (see s. 4), but not necessarily for gain. As to the name, see s. 5, sub-ss. 3 and 5. The situation of the office determines where it is registered and the jurisdiction to which it is subject. As to notice of change, see s. 11, and exhibition of name outside office, see s. 12. 1. Object, &c.

As to the admission of societies or companies as members, see ss. 4 and 42. As to the register of members, see s. 34. 2. Terms of admission, &c.

Where one of the rules of a creamery society provided that any milk supplying member should, so long as he remained a member, deliver to the society's creamery on every working day all milk produced from his cows, except such as might be required for his household, and in accordance with regulations laid down by the committee, and that any member failing to do so should pay an ascertainable sum as liquidated damages, and the rules did not provide for voluntary withdrawal from the society except by transfer of shares or contain any definition of "milk supplying member," it was held that the rule requiring delivery of milk

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was void as an illegal restraint of trade: *Tipperary Co-operative Creamery Society* v. *Hanley*, (1912) 2 I. R. 586; but rules of a registered society (the shares being transferable only with the consent of the committee which bound the members not to sell the milk of their cows produced within a defined area to any creamery other than the creamery of the society, or to any company, society, person or persons who sell milk or manufacture butter for sale, were held not to amount to an illegal restraint of trade, nor to create such a monopoly as to offend against public policy: *Coolmoyne and Fethard Co-operative Creamery* v. *Bulfin*, (1917) 2 I. R. 107.

. Meetings, &c.

See p. 43.

. Committee nd officers.

This differs from the similar provision in the Friendly Societies Act in requiring express provision defining the powers and the remuneration of the officers. Trustees are not required except for the purposes of investments in stock in the funds (ss. 31 and 38).

. Amount of hares.

The maximum amount of the interest of a member must be defined, which, except in the case of a society registered under this Act, cannot exceed 200*l*. (s. 4). Where the membership of a society is confined to other societies, a rule imposing on a member a liability to take up and pay for further shares from time to time in certain events, such as an increase in the member's turnover, is valid: *Agricultural Wholesale Society* v. *Biddulph and District Agricultural Society*, (1925) Ch. 769.

. Loans and eposits.

The limits, conditions and security for loans and for deposits need not necessarily be the same. If the rules provide for borrowing by the society, there is no limit to the amount that may be borrowed other than that imposed by the rules, but the limit to the deposits must be fixed with regard to s. 19 and to the nature of the society.

A power to borrow to an unlimited extent must be limited to borrowing for the proper objects of the society: see *Sinclair* v. *Brougham*, (1914) A. C. 398.

. Shares.

In this clause a distinction (see also s. 19) seems drawn between transferable and withdrawable shares. It seems that the latter cannot be made transferable though they are so on death (see s. 25 (3)), whilst the former cannot be made withdrawable, though provision may be made for the society at its option to pay off transferable shares, in which event those paid off must be extinguished. If the society has withdrawable capital, the payment off thereof is restricted by s. 19. A member who withdraws all his shares ceases to be a member (s. 60 (e)), but a power to withdraw subscriptions is not equivalent to a power to with-

draw shares: *re United Service Share Purchase Society*, (1909) 2 Ch. 526.

A society has a lien on members' shares (s. 23), and is within the Forged Transfers Acts, 1891 and 1892 (54 & 55 Vict. c. 43), s. 3.

An application for shares made to the promoters of an unregistered society is a continuing offer which may, if not revoked, be accepted by the society when registered under the Act, and the promoters are the agents of the applicant to communicate the offer to the society when so registered: *Bridgetown Co-operative Society* v. *Whelan*, (1917) 2 I. R. 39.

The committee of management of a society which is authorised by its rules to suspend repayment of share capital for a period not exceeding six months, has power to continue extensions for successive periods of six months after the requisite notice requiring payment had been given by a member: *Jedburgh Co-operative Store Co.* v. *Fox: Scotsman*, Dec. 1st, 1916; (1916), R. C. R. 136.

See s. 13 (p. 387) and s. 72 (p. 447). As to auditors generally, see p. 70: only a public auditor may be appointed to audit. 8. Audit.

The withdrawal of members from the society is distinct from the withdrawal of capital only by a member. 9. Withdrawal of members.

There is no restriction in the application of profits except that the disposal of them must be in conformity with the rules: see s. 10 (6), *infra*. 10. Profits.

The name of the society must be inscribed on the seal: s. 12. 11. Seal.

As to the execution of a deed by a society, see Law of Property Act, 1925 (15 Geo. 5, c. 20), s. 74 (1); and as to the execution of a conveyance by an attorney for the society, see *ib.* s. 74 (3) (4).

See ss. 36, 38, 39 and 40.

In addition to the matters which Sched. II. requires to be set forth in or determined by the rules, the rules may and should, if it is so desired, provide for other matters, viz.—forms for carrying out the society's purposes: s. 10 (5); a more extensive right of inspection of the books by members than that given by the Act: s. 17 (3); the exclusion of minors from membership or the regulation of their rights if not excluded: s. 32; the exclusion or limitation of the right of the society to hold land: s. 36; the power to make advances to members: s. 40; whether security shall be required from officers: s. 47; and whether provision shall be made for the settlement of disputes: s. 49. Having regard to s. 63, the rules also should specify the officers whose duty it is to do those things, the omission to do which by the society is an offence under the Act. 12. Investments.

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The rules of an agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section, shall comprise such rules as the Minister of Agriculture may require for the purposes of that Act, and shall not be altered without the consent of the Minister: p. 475.

(2.) An amendment of a rule of a society registered under this Act shall not be valid until the same has been registered under this Act, for which purpose two copies of the same, signed by three members and the secretary, shall be sent to the registrar.

Amendments of rules.

An amendment may be either—(a) a partial amendment, consisting of the addition of a new rule or rules or part of a rule or rules, to the existing rules, or the substitution of a new rule or rules, or part of a rule or rules, for any of the existing rules or any part thereof, or a rescission of any of the existing rules, or any part thereof, without any substitution or more than one or all of these modes; or (b) a complete amendment, consisting of the substitution of an entire set of rules for the existing set of rules, and bearing at the beginning the words "all previous rules rescinded": P. S. R. 2.

Application to register amendments.

An application to register a partial amendment of rules must be made by the secretary of the society in Form B. (p. 557), and must be sent to the registrar accompanied by a statutory declaration in Form C. (p. 557), and by a printed copy of the existing rules marked to show where the alterations occur, and what they are, and by the following documents:—(a) if the partial amendment consists of the addition or substitution of a new rule or rules, two copies of such new rule or rules, each copy being marked O., and signed by three members and the secretary; (b) if the partial amendment consists of the rescission of any of the rules without any substitution, two copies of the resolution for such rescission, each copy being marked O., and signed by three members and the secretary: P. S. R. 3.

An application to register a complete amendment of rules must be made by the secretary of the society in Form D. (p. 557), and must be sent to the registrar accompanied by a statutory declaration in Form C. (p. 557), and by a copy of the existing rules, and by two copies of the new rules, each copy being marked P., and signed by three members and the secretary: P. S. R. 4.

For the fees payable on the registry of amendments of rules, see p. 447.

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Effect of amendments.

For the effect of amendments, see note to F. S. A., s. 13 (p. 54), and also note to sub-s. 3 (*infra*). As to the effect of amendments not being registered, see *Re Londonderry Equitable Co-operative Society*, (1910) 1 I. R. 69.

(3.) The registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Act, issue to the society an acknowledgment of registry of the same, which shall be conclusive evidence that the same is duly registered.

Registry of amendments.

The form of acknowledgment of registry of an amendment of rules is given in Sched. IV. (p. 461). The acknowledgment of registry is conclusive as to the validity of the amendment notwithstanding that it was made by the committee of management and not by a special meeting as provided by the rules: *Butler* v. *Springmount Co-operative Dairy Society*, (1906) 2 I. R. 193. A person was elected general manager of the society when it was (as he knew) a fundamental rule of the society that the manager could not be dismissed except by a two-thirds majority at a special general meeting, and that fundamental rules could not be altered except in like manner. Subsequently it was resolved at a committee meeting that the rule as to dismissal should be altered to give the committee power to dismiss the manager, and the alteration was registered. The committee dismissed the manager, who did not become aware of the amendment till after his dismissal, and the amendment was held binding on him so as to render his dismissal valid: *Butler* v. *Springmount Co-operative Dairy Society*, (1906) 2 I. R. 193.

(4.) A copy of the rules of a registered society shall be delivered by the society to every person on demand, on payment of a sum not exceeding one shilling.

Copies of rules.

The failure to deliver a copy of the rules on demand and the delivery of untrue rules are offences under the Act: ss. 62 and 67.

(5.) The rules of a registered society, or any schedule thereto, may set forth the form of any instrument necessary for carrying the purposes of the society into effect.

(6.) The rules of every society registered under this Act shall provide for the profits being appropriated to

Ss. 10, 11. any purposes stated therein or determined in such manner as the rules direct.

Appropriation of profits.

A rule of an industrial society established to carry on the trades of general dealers, manufacturers, farmers and workers of mines and minerals which provided that the profits should be applied either to increase the capital, reserve fund or business of the society or to any lawful purpose, did not authorise a payment out of the profits to a workmen's strike fund, as such payment was not an application of profits to a lawful purpose of the society consistent with its rules: *Warburton* v. *Huddersfield Industrial Society*, (1892) 1 Q. B. 817.

The sub-s. enables a society to vote a portion of its profits to the furtherance of political ends if the purposes are stated in the rules, or determined in such manner as the rules direct. A rule providing that profits might be applied to social or provident purposes, "or any other purposes whether within the objects for which the society is formed or not," does not authorise the application of profits in promoting the candidature or election to public bodies of members of the society, or in contributing to the parliamentary funds of other organisations, or to the election expenses of parliamentary candidates: *Lafferty* v. *Barrhead Co-operative Society* (1919), 1 Sc. L. T. 257.

Agricultual credit societies.

In the case of an agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section, the rules of the society shall provide for the limitation or restriction of the division of the profits of the society by way of dividends or bonus on the share capital of the society in such manner as the Minister of Agriculture and Fisheries may approve: p. 476.

Duties of Registered Societies.

Registered office.

11. Every registered society shall have a registered office to which all communications and notices shall be addressed, and shall send to the registrar notice of the situation of such office, and of every change therein.

Cf. F. S. A., s. 24 (p. 66). Every notice of a change in the situation of the registered office shall be sent to the registrar within 14 days after every such change in Form K (p. 559). Notice of the situation of the registered office of a society on first registry shall be deemed to be given by the rules: P. S. R. 11.

Failure to give notice of a change of office is an offence under the Act: s. 62. Where the registered office of a company had been demolished, service of a winding-up petition on the directors at the present place of business, though not registered, was held sufficient: *Re Fortune Copper Mining Co.* (1870), 10 Eq. 390.

Publication of name.

12. Every registered society shall paint or affix, and keep painted or affixed, its registered name on the outside of every office or place in which the business of the society is carried on, in a conspicuous position, in letters easily legible, and have its registered name engraven in legible characters on its seal, and have its registered name mentioned in legible characters in all notices, advertisements, and other official publications of the society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods, purporting to be signed by or on behalf of such society, and in all bills of parcels, invoices, receipts, and letters of credit of the society.

The penalties for contravening this section are imposed by s. 66 (p. 444).

The provision that a society shall have its name mentioned in all bills of exchange would appear to be sufficiently complied with if the name of the society upon which the bill is drawn is correctly stated in the address without being also mentioned in the acceptance, and the name is sufficiently "mentioned" within the meaning of the section, although the abbreviation "Ltd." is written after the name of the society instead of the word "Limited": *F. Stacey & Co.* v. *Wallis* (1912), 106 L. T. 544; so where the proper name appears in the bill but the word "Limited" does not appear in the acceptance owing to the incorrect impression of a rubber stamp: *Dermatine Co.* v. *Ashworth* (1905), 21 T. L. R. 510.

A society might acquire a right to the protection of a trade name used separately from its corporate name, although such use is a breach of this section: see *Randall, Ltd.* v. *British and American Shoe Co.*, (1902) 2 Ch. 354.

Audit.

13.—(1.) * * *

(2.) The auditors shall have access to all the books, deeds, documents, and accounts of the society, and shall

Ss. 13, 14.

examine the balance sheets showing the receipts and expenditure, funds and effects of the society, and verify the same with the books, deeds, documents, accounts and vouchers relating thereto, and shall either sign the same as found by them to be correct, duly vouched, and in accordance with law, or specially report to the society in what respects they find them incorrect, unvouched, or not in accordance with law.

Sub-s. 1 was repealed by the P. S. A., 1913, and by s. 2 of that Act (p. 466) audit once a year by a public auditor is made compulsory, and an auditor is prohibited from holding any other office in connection with the society: this does not prohibit a society from having additional auditors or non-statutory intermediate audits if it so desires, but having regard to the responsibility for the audit, it is advisable that all audits should be conducted by a public auditor or auditors.

See note to F. S. A., s. 26 (p. 69).

For the scale of payment to public auditors for auditing the accounts of a society, see p. 494.

Sub-s. 2 appears to refer to the auditors acting as such and to be incidental to the exercise of their duties; it would not entitle auditors who had been dismissed or excluded from office by the society to conduct the audit or have access to the books of the society for their own purposes: see *Cuff* v. *London and County Land and Building Co.*, (1912) 1 Ch. 440.

Annual returns.

14.—(1.) Every registered society shall once in every year, not later than the thirty-first day of March, send to the registrar an annual return of the receipts and expenditure, funds and effects, of the society as audited.

(2.) The annual return—

(a) shall be signed by the auditor or auditors; and

(b) shall show separately the expenditure in respect of the several objects of the society; and

(c) shall be made up from the date of its registration or last annual return to that of its last published balance sheet, unless the last-mentioned date is more than four months before or more than one month after the thirty-first

day of December, in which case it shall be made up to the said thirty-first day of December inclusive; and

(d) shall state whether the audit has been conducted by a public auditor appointed as by this Act is provided, and by whom, * * *

Clause (c) in its present form was enacted by the P. S. A., 1913, s. 3, which also repealed the rest of the section following the words "by whom" in clause (d), and by s. 3 also provided for sending to the registrar a copy of the report of the auditors and a copy of each balance sheet (p. 467). The P. S. A., 1913, s. 4, provides also for a special return of shareholders and loan holders being sent triennially with the annual return to the registrar (p. 467).

See note to F. S. A., s. 27 (p. 71). The form of return is that prescribed by the chief registrar. Failure to send the annual return to the registrar is an offence under the Act: s. 62.

Supply copie of annual returns.

15. Every registered society shall supply gratuitously to every member or person interested in the funds of the society, on his application, a copy of the last annual return of the society for the time being.

This section does not, as in the case of a friendly society (see F. S. A., s. 39), allow the society alternatively to supply some other document equivalent to the annual return.

Failure to supply a copy of the annual return when it is applied for is an offence under the Act: s. 62. A member could also by action enforce the right given him by the section: see p. 92.

Copy of last balance sheet.

16. Every registered society shall keep a copy of the last balance sheet for the time being, together with the report of the auditors, always hung up in a conspicuous place at the registered office of the society.

See note to F. S. A., s. 29 (p. 75). Societies which do a banking business are obliged to exhibit also the statement mentioned in s. 19 (2).

Failure to comply with this section is an offence under the Act: s. 62.

S. 17. *Inspection of Books.*

Inspection of books by members.

17.—(1.) Save as provided by this Act, no member or person shall have any right to inspect the books of a registered society, notwithstanding anything in the existing rules relating to such inspection.

(2.) Any member or person having an interest in the funds of a registered society shall be allowed to inspect his own account and the books containing the names of the members at all reasonable hours at the registered office of the society, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the society.

(3.) A registered society may, by any rules registered after this Act is passed, authorise the inspection of any of its books therein mentioned, in addition to the said books containing the names of members, under such conditions as are thereby imposed, so that no person, unless he be an officer of the society, or be specially authorised by a resolution thereof, shall have the right to inspect the loan or deposit account of any other member without his written consent.

See note to F. S. A., s. 40 (p. 91). Failure to allow an inspection as provided by this section is an offence under the Act: s. 62.

Before 1894, the right of inspection was as extensive as that in the Friendly Societies Act, but this section limits the right to (a) that given in sub-s. 2, the exercise of which may be regulated by the society in general meeting, and (b) such extended right of inspection as the rules of the society may allow. "Existing" means at the date of the passing of the Act, *i.e.*, September 12th, 1893, so that except by virtue of a rule registered after that date, a member of a society cannot have any right of inspecting the books of a society beyond that mentioned in sub-s. 2.

The power of a society to make regulations as to inspection merely permits administrative regulations; it does not enable the society to cut down the rights implied by the right to

inspect such as the right to take copies, and a purported amendment of rules prohibiting the taking of copies would be refused registration as contrary to the provisions of the Act: see *Re Belfast Co-operative Society* (1916), R. C. R. 41.

It would seem that this section does not apply to the case of a society in liquidation: see *Re Kent Coalfields Syndicate*, (1898) 1 Q. B. 754; but under the Companies (Consolidation) Act, 1908, s. 221, the Court has power in a winding-up to permit inspection by creditors or contributories.

Agricultural credit society.

The books of an agricultural credit society to which s. 7 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section, shall be open to inspection by an officer of the Minister of Agriculture and Fisheries: p. 475.

Inspection of books by order of registrar.

18.—(1.) The registrar may, if he thinks fit, on the application of ten members of a registered society, each of whom has been a member of the society for not less than twelve months immediately preceding the date of the application, appoint an accountant or actuary to inspect the books of the society, and to report thereon.

(2.) Provided as follows,—

(a) the applicants shall deposit with the registrar such sum as a security for the costs of the proposed inspection as the registrar may require; and

(b) all expenses of and incidental to any such inspection shall be defrayed by the applicants, or out of the funds of the society, or by the members or officers, or former members or officers, of the society in such proportions as the registrar may direct.

(3.) A person appointed under this section shall have power to make copies of any books of the society, and to take extracts therefrom, at all reasonable hours, at the registered office of the society, or at any place where the books are kept.

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(4.) The registrar shall communicate the results of any such inspection to the applicants and to the society.

Application to appoint inspector.

Every application to the registrar to appoint an accountant or actuary to inspect the books of a society shall be in Form L. (p. 559): P. S. R. 12.

This section empowers the registrar, upon a proper case being shown, to order an inspection of the books of a more extensive nature than a member can make under s. 17; the inspection is made by a responsible and competent person appointed by the registrar, who reports to the registrar, who in turn communicates not necessarily the report but the result of the inspection to the applicants. If an examination into the affairs of the society is required, application must be made to the registrar under s. 50.

Agricultural credit societies.

In the case of an agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section, the registrar, on the application of the Minister of Agriculture and Fisheries, may appoint an accountant or actuary to inspect the books of the society or may appoint an inspector to examine into and report on the affairs of the society: p. 475.

Banking by Societies.

Conditions of banking by societies.

19.—(1.) No registered society which has any withdrawable share capital shall carry on the business of banking.

(2.) Every registered society which carries on the business of banking shall on the first Mondays in February and August in each year make out and keep conspicuously hung up in its registered office, and every other office or place of business belonging to it where the business of banking is carried on, a statement in the form in the Third Schedule, or as near thereto as the circumstances admit.

(3.) The taking deposits of not more than ten shillings in any one payment, nor more than twenty pounds for any one depositor, payable on not less than two clear days notice, shall not be included in the business of banking within the meaning of this Act; but no society which

takes such deposits shall make any payment of withdrawable capital while any claim due on account of any such deposit is unsatisfied. S. 19.

A society which carries on a banking business in contravention of this section or fails to make out and exhibit the statement required by sub-s. 2 commits an offence under the Act: s. 62 (4). The capital of a society carrying on such a business must necessarily consist of transferable shares only.

"The business of banking."

The Act does not define what is meant by the business of banking. It is not necessary in order to constitute a banking business prohibited by the statute that the society should carry on every part of a business carried on by some bankers: it is sufficient to bring the business within the prohibition if the society carries on what is the principal part of the business of a banker, viz., receiving money on deposit, allowing the same to be drawn against as and when the depositor desires, and paying interest on the amounts standing on deposit: *Re Bottomgate Industrial Co-operative Society* (1891), 65 L. T. 712, 714. A society having received loans on deposit which were invalid, as the society was not authorized to carry on a banking business, passed a rule purporting to render them valid and to make them a first charge on the assets; in a winding-up the rule was held invalid, so that the lenders were not entitled against the assets in priority to the creditors existing at the date of making the rule: *Ib.*

On the other hand, it has been held by a Divisional Court that a society having the business of banking as one of its objects does not, by merely receiving money on deposit, carry on such a business, as the opening of a current account and the issuing of a cheque book is a necessary incident of a banking business: see (1906), R. C. R. 10, 35.

A society which, registered under this Act ostensibly for the purpose of banking, does not *bonâ fide* carry on such a business, but, in fact, carries on the business of money-lending, would require to be registered under the Money Lenders Act, 1900 (63 & 64 Vict. c. 51), from which a society registered under this Act is not in terms exempt.

An agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies is not to be deemed, for the purposes of the I. P. A., to carry on the business of banking (p. 475), but such a society to which an advance has been made under that section shall not accept deposits and shall not borrow money without the consent of the Minister of Agriculture and Fisheries: p. 476.

Ss. 20, 21.

Returns and Documents.

Form and deposit of documents.

20. Every return and other document required for the purposes of this Act shall be made in such form and shall contain such particulars as the chief registrar prescribes, and shall be deposited and registered or recorded, with or without observations thereon, in such manner as the chief registrar directs.

See F. S. A., s. 7 (p. 18), and s. 98 (3) (p. 224).

Matters to be registered.

The matters which a registered society has to register or record are the following:—Amendments of rules, s. 10 (2); changes in the situation of the registered office, s. 11; annual returns, s. 14; special resolutions, s. 56; and a dissolution by instrument, s. 61.

Privileges of Societies.

Incorporation of society with limited liability.

21. The registration of a society shall render it a body corporate by the name described in the acknowledgment of registry, by which it may sue and be sued, with perpetual succession and a common seal, and with limited liability; and shall vest in the society all property for the time being vested in any person in trust for the society; and all legal proceedings pending by or against the trustees of any such society may be prosecuted by or against the society in its registered name without abatement.

As the society is a body corporate, trustees are not in general necessary, though they may be required for the purpose of an investment in stock in the funds, and in the case of the latter the registrar can direct a transfer of such stock where, owing to circumstances, a transfer cannot be effected (s. 31).

A bond given to trustees for an industrial society registered before the Industrial and Provident Societies Act, 1862, would vest in the society on registration, so that the society could sue for subsequent breaches of the condition: *Queensbury Industrial Society* v. *Pickles* (1865), L. R. 1 Ex. 1.

The rules must provide for the custody and use of the common seal of the society: s. 10 (1), Sched. II. (11). As to the execu-

tion of instruments by or on behalf of the society, see Law of Property Act, 1925, s. 74. The limitation of the liability of members present and past is contained in s. 60.

As the society is a body corporate it sues or is sued in its registered name, but as the Act makes no provision for service of process on a society, it must be made on the head officer or secretary under R. S. C., Ord. IX. r. 8, and appearance should be entered in the registered name.

22. The rules of a registered society shall bind the society and all members thereof and all persons claiming through them respectively to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were contained in such rules a covenant on the part of such member, his heirs, executors, administrators, and assigns, to conform thereto, subject to the provisions of this Act: Provided that a society registered at the time when this Act comes into operation, or the members thereof, may respectively exercise any power given by this Act, and not made to depend on the provisions of its rules, notwithstanding any provision contained in any rule thereof registered before this Act was passed.

Rules to bind members.

Cf. the F. S. A., s. 31 (1) (p. 76). The Act came into operation on January 1st, 1894: s. 2.

If the rules contain a rule requiring a member to take up and pay for further shares from time to time in certain events, such a rule is valid and constitutes a valid and enforceable contract between the society and its members: *Agricultural Wholesale Society* v. *Biddulph and District Agricultural Society,* (1925) 1 Ch. 769.

Under a mortgage made to a society by a member to secure moneys payable under the rules and "other moneys becoming due from the mortgagor to the society," the society was not entitled against an assignee of the equity of redemption who was seeking to redeem, to claim moneys which the mortgagor as secretary of the society had embezzled, because such embezzled moneys were due on a different contract and were not debts *ejusdem generis* to which the words in the mortgage applied: *Bailes* v. *Sunderland Equitable Industrial Society* (1886), 55 L. T. 808.

Ss. 22, 23.

The rules of a society provided that every person who wished to become a tenant to the society had to take a share in the society, and that lots should be valued as therein provided, and that the tenant should be charged a fair and usual rent for his occupancy of the same; it was held that in the absence of provision to the contrary the rent that had been once charged could be altered by the committee of management: *Tenant Co-operators* v. *James* (1902), 18 T. L. R. 237.

Remedy for debts from members.

23.—(1.) All moneys payable by a member to a registered society shall be a debt due from such member to the society, and shall be recoverable as such either in the county court of the district in which the registered office of the society is situate, or in that of the district in which such member resides, at the option of the society.

See note to F. S. A., s. 31 (2) (p. 77).

(2.) A registered society shall have a lien on the shares of any member for any debt due to it by him, and may set off any sum credited to the member thereon in or towards the payment of such debt.

Debt due.

The word "due" appears to mean due and payable: cf. *Re Stockton Malleable Iron Co.* (1875), 2 C. D. 101. The lien of the society is not by the section given any priority over the charge of a third party who has advanced money on the security of the shares previously to the society's lien arising: the lien does not cease on a member's death, but continues against his representatives or nominees. The lien apparently constitutes a charge on the shares within the meaning of the Conveyancing Act, 1881, so that the member could require the society in payment of the sum due to assign the debt and the society's lien on the shares to his nominee: cf. *Everitt* v. *Automatic Weighing Machine Co.*, (1892) 3 Ch. 506.

Lien and set-off.

The words "set off" are not used in a strictly legal sense, but more in a business sense, as indicating that the society may deduct or write off the amount of a member's debt from the sum credited as paid on his shares, and, therefore, so long as the society is carrying on business it may *bonâ fide* avail itself of this sub-section, so that any sum credited to a member on his shares may be rightly set off towards payment of a debt due from him to the society, notwithstanding that the society at the time is

insolvent to the knowledge of the committee: *Re Gwawr-y-Gweithyr Industrial and Provident Society,* (1901) 2 K. B. 477; and such a transaction, though happening within three months of a resolution to wind up the society, is not invalid under the provision now contained in the Companies (Consolidation) Act, 1908, s. 210, as a fraudulent preference, because the member is not a creditor within the meaning of that provision: *Ib.*

24. * * *

Exemption from income tax.

This section was repealed by the Income Tax Act, 1918 (8 & 9 Geo. 5, c. 40), which, by s. 39 (4), re-enacted the exemption as follows:—

"A society registered under the Industrial and Provident Societies Act, 1893, shall be entitled to exemption from tax under Schedules C and D, unless it sells to persons not members thereof, and the number of its shares is limited by its rules or practice, but no member of or person employed by the society shall be exempt from charge to the tax to which he would otherwise be liable."

In order to be free from income tax the society, if the number of its shares is limited, must sell only to members.

A society occupying lands for husbandry only has the same right as an ordinary occupier under the Income Tax Act, 1918, Sched. B., rule 5, to elect to be assessed for income tax in respect of such lands under Sched. D instead of under Sched. B, and having so elected, s. 39 (4) of the Income Tax Act, 1918, does not exempt the society from taxation: *Tranent Co-operative Society* v. *Brown,* (1921) S. C. 219.

Corporation duty.

An industrial and provident society, if it is established for any trade or business or is a body whose capital stock is so divided and held as to be liable to be charged to legacy duty or succession duty, is exempt from the corporation property duty imposed by the Customs and Inland Revenue Act, 1885 (48 & 49 Vict. c. 51), s. 11.

Corporation profits tax.

The Finance Act, 1920 (10 & 11 Geo. 5, c. 18), s. 52, imposed a corporation profits tax on the profits of a company (defined as any body corporate so constituted that the liability of its members is limited) carrying on any trade or business or any undertaking of a similar character, but as amended by the Finance Act, 1921 (11 & 12 Geo. 5, c. 32), s. 56, the Act is not during the period between 1st January, 1920, and 31st December, 1922 (extended

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to 31st December, 1925, by the Finance Act, 1922 (12 & 13 Geo. 5, c. 17), s. 42), to apply to the profits of a department of any society registered under the I. and P. Act, organised for providing house-building or house-purchase schemes for its members. The profits are to be determined on the same principles as profits and gains are determined for the purposes of the Income Tax Acts, and include, in the case of mutual trading concerns, the surplus arising from transactions with members, and in the case of a society registered under the I. and P. Act any sums paid by way of bonus, discount or dividend shall be treated as trade expenses and a deduction shall accordingly be allowed: Finance Act, 1920, s. 53; and where the profits are profits or surplus arising from the trading with its own members of a society registered under the I. and P. Acts, no corporation profits tax shall be charged: Finance Act, 1921, s. 53. But by the Finance Act, 1924, s. 34, corporation profits tax is not to be charged on profits arising in an accounting period commencing after the 30th day of June, 1924.

Entertainment duty.

A society established solely for the purpose of promoting the interest of the industry of agriculture (which includes horticultural and live stock breeding), or some branch thereof, or the manufacturing industry, or some branch thereof, or the public health, and which is not conducted for profit, is entitled to relief from the entertainment duty under s. 1 of the Finance (New Duties) Act, 1916, in respect of an entertainment provided by the society which consists solely of an exhibition of the products of the industry or branch thereof for the promoting the interests of which the society exists, or materials, machinery or appliances, or foodstuffs used in the production of those products or of articles which are of material interest in connection with the questions relating to the public health, as the case may be: Finance Act, 1921, s. 7. Further relief from this duty is also provided by the Finance Act, 1923, s. 11, which is amended by the Finance Act, 1924, s. 7.

Power of nomination for sums not exceeding one hundred pounds.

25.—(1.) *A member of a registered society, not being under the age of sixteen years, may, by a writing under his hand, delivered at or sent to the registered office of the society during the lifetime of such member, or made in any book kept thereat, nominate any person or persons other than an officer or servant of the society (unless such officer or servant is the husband, wife, father, mother,*

child, brother, sister, nephew, or niece of the nominator) to or among whom his property in the society, whether in shares, loans, or deposits, or so much thereof as is specified in such nomination, if the nomination does not comprise the whole, shall be transferred at his decease, provided the amount credited to him in the books of the society does not then exceed one hundred pounds sterling.

(2.) *A nomination so made may be revoked or varied by any similar document under the hand of the nominator, delivered, sent, or made as aforesaid, but shall not be revocable or variable by the will of the nominator or any codicil thereto.*

(3.) *The society shall keep a book wherein the names of all persons so nominated and of all revocations or variations, if any, of such nominations shall be regularly entered. And the property comprised in any such nomination shall be payable or transferable to the nominees, although the rules of the society declare the shares to be generally not transferable.*

The foregoing section was repealed by the P. S. A. 1913, and by s. 5 thereof as respects nominations made after January 1st, 1914, the following provisions were substituted:—

(1.) A member of a registered society not being under the age of sixteen years may, by writing under his hand delivered at or sent to the registered office of the society during the lifetime of such member or made in any book kept thereat, nominate any person or persons to or among whom there shall be transferred at his decease such property in the society as may be his at the time of his decease (whether in shares, loans, or deposits, or otherwise), or so much thereof as is specified in such nomination, if the nomination does not comprise the whole. If on the death of the nominator the amount of his property in the society comprised in the nomination exceeds one hundred pounds the nomination shall be valid to the extent of the sum of one hundred pounds, but not further or otherwise:

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Provided that a person so nominated shall not be an officer or servant of the society unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator.

(2.) A nomination so made may be revoked or varied by a subsequent nomination signed and delivered or sent or made as aforesaid or by any similar document in the nature of a revocation or variation under the hand of the nominator so delivered sent or made as aforesaid, but shall not be revocable or variable by the will of the nominator or by any codicil thereto.

(3.) The society shall keep a book wherein the names of all persons so nominated and all revocations or variations (if any) of such nominations shall be recorded, and the property comprised in any such nomination to an amount not exceeding one hundred pounds shall be payable or transferable to the nominee although the rules of the society declare the shares not to be transferable.

(4.) The marriage of a member of a society shall operate as a revocation of any nomination made by him before such marriage, provided that, in the event of an officer of a society having transferred any property of a member to a nominee, in ignorance of a marriage contracted subsequent to the date of the nomination, the receipt of the nominee shall be a valid discharge to the society, and the society shall be under no liability to any other person claiming such property.

Recording of nominations.

Every registered society shall keep a record or register of all nominations made by the members, and of all revocations and variations of the same, and for the recording or registering of every such nomination, revocation, or variation the rules of the society may require the member nominating to pay a sum not exceeding 3*d.*: P. S. R. 13.

The provisions relating to nomination in this and the next section as altered by the P. S. A., 1913, s. 5, are similar to those relating to the same right in friendly societies (see F. S. A., s. 56, p. 126), but they differ in some particulars. This Act expressly provides that more than one person may be nominated,

and that a nomination may extend to a part only of the nominator's interest in the society, and that the nomination is unaffected by a will of the nominator. If a nomination extends to all the property of a member in the society at his death and such property exceeds 100*l.*, the nomination is valid to that extent only, and where a nominee is under sixteen years the society is enabled to obtain a discharge for the property due to such nominee.

Proceedings on the death of a nominator.

26.—(1.) On receiving satisfactory proof of the death of a nominator, the committee of the society shall, subject to the limitation on amount herein-before provided, either transfer the property comprised in the nomination in manner directed by the nomination, or pay to every person entitled thereunder the full value of the property given to him, unless the shares comprised in the nomination, if transferred as directed by the nominator, would raise the share capital of any nominee to a sum exceeding two hundred pounds, in which case they shall pay him the value of such excess.

(2.) Where a nominee who is nominated under the provisions of this Act is under sixteen years of age, the society may pay the sum nominated to either parent, or to a guardian of the nominee, or to any other person of full age who will undertake to hold the same on trust for the nominee or to apply the same for his benefit and whom the society may think a fit and proper person for the purpose, and the receipt of such parent, guardian, or other person shall be a sufficient discharge to the society for all moneys so paid.

The original s. 26 was repealed by the P. S. A., 1913, and by s. 5 thereof, as respects nominators dying after January 1st, 1914, the foregoing provisions were substituted for sub-s. 1.

See F. S. A., s. 57 (p. 129). There is no provision in this Act giving validity to the receipt of an infant nominee over sixteen years of age, unless such nominee is a member of the society (see s. 32), but payment to an infant nominee under sixteen may be made to a trustee for him.

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Provisions for intestacy.

27.—(1.) If any member of a registered society entitled to property therein in respect of shares, loans, or deposits, not exceeding in the whole, at his death, one hundred pounds, dies intestate, without having made any nomination thereof then subsisting, the committee may, without letters of administration, distribute the same among such persons as appear to them, on such evidence as they deem satisfactory, to be entitled by law to receive the same, * * *

(2.) If any such member is illegitimate and leaves no widow, widower, or issue, the committee shall deal with his property in the society as the Treasury shall direct.

The part of sub-s. 1 omitted was repealed by the P. S. A., 1913.

See F. S. A., s. 58 (p. 131), and notes. The provisions of sub-s. 2 concerning the property in a society of a member who is illegitimate differ from the corresponding provisions in the F. S. A., s. 58 (2).

Provisions as to death duties.

28.—(1.) If the principal value of the estate, in respect of which estate duty is payable, of any deceased member of a registered society exceeds one hundred pounds, any property or money to be transferred or paid under section twenty-five, twenty-six, or twenty-seven of this Act without probate or administration shall be liable to estate duty as part of the amount on which that duty is charged; and the committee of the society, before making any such transfer or payment, may require a statutory declaration by the claimant or one of the claimants that such principal value, including the property or money in question, does not, after deduction of debts and funeral expenses, exceed one hundred pounds.

(2.) If the principal value of the property or money to be so transferred or paid exceeds eighty pounds the committee of the society shall, before making any transfer or payment to any person other than the legal personal representative of the deceased member, require production of a certificate from the Commissioners of Inland

Revenue of the payment of the estate duty, and a duly stamped receipt for the succession or legacy duty payable in respect of the property or money so transferred or paid, or a certificate that no estate, succession or legacy duty is payable thereon.

Cf. F. S. A., s. 59 (p. 134). The foregoing provisions were substituted for the original s. 28 by the P. S. A., 1913, s. 6.

Power to deal with the property of insane or lunatic members.

29. Where a member or person claiming through a member of a society is insane, and no committee of his estate or trustee of his property has been duly appointed, the society may, when it is proved to the satisfaction of the committee that it is just and expedient so to do, pay the amount of the shares, loans, and deposits *not exceeding one hundred pounds*, belonging to such member or person, to any person whom they shall judge proper to receive the same on his behalf, whose receipt shall be a good discharge to the society for any sum so paid.

The words in italics were repealed by the P. S. A., 1913, s. 7 (p. 468). The property of an insane or lunatic member in a society can therefore be paid out without regard to the amount thereof.

Transfer is not payment.

A transfer of the shares, loans and deposits belonging to an insane member to another person is not a payment within this section, and notwithstanding such a transfer a claim of the guardians under the Lunacy Act, 1890 (53 & 54 Vict. c. 5), s. 300, may be enforced against such property of the lunatic: *Gloucester Union* v. *Gloucester Industrial and Co-operative Society* (1907), 96 L. T. 168.

Payments to persons apparently entitled valid.

30. All payments or transfers made by the committee of a registered society, under the provisions of this Act with respect to payments or transfers to or on behalf of deceased or insane members, to any person who at the time appears to the committee to be entitled thereunder, shall be valid and effectual against any demand made upon the committee or society by any other person.

See note to F. S. A., s. 60 (p. 135).

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Transfer of stock standing in name of trustee.

31.—(1.) When any person in whose name any stock belonging to a registered society transferable at the Bank of England or Bank of Ireland is standing, either jointly with another or others or solely, as a trustee therefor, is absent from Great Britain or Ireland respectively, or becomes bankrupt, or files any petition or executes any deed for liquidation of his affairs by assignment or arrangement, or for composition with his creditors, or becomes a lunatic, or is dead, or has been removed from his office of trustee, or if it be unknown whether such person is living or dead, the chief registrar, on application in writing from the secretary and three members of the society, and on proof satisfactory to him, may direct the transfer of the stock into the names of any other persons as trustees for the society.

(2.) The transfer shall be made by the surviving or continuing trustees, and if there be no such trustee, or if such trustees refuse or be unable to make such transfer, and the chief registrar so directs, then by the Accountant-General or Deputy or Assistant Accountant-General of the Bank of England or Bank of Ireland, as the case may be.

(3.) The Banks of England and Ireland are hereby indemnified for anything done by them or any of their officers in pursuance of this provision against any claim or demand of any person injuriously affected thereby.

See note to F. S. A., s. 34 (p. 83).

Applications for transfer.

Every application to the chief registrar to direct a transfer of stock shall follow as near as may be Form M. (p. 560), and shall be accompanied by a statutory declaration in Form N. (p. 560), or as near thereto as the facts admit, and by the certificate of the stock in respect of which the application is made: P. S. R. 14. Before making the application the society shall submit to the chief registrar for examination a draft copy on foolscap paper, written on one side only, of the proposed application and declaration: P. S. R. 15. The chief registrar, before directing the transfer, may require such further proof of any statement in the application as may seem to him to be

necessary: P. S. R. 16. The chief registrar shall give his direction in Form O. (p. 560), so framed in each case as to suit the particular circumstances: P. S. R. 17.

The fee for a direction to transfer stock is 2*l.*: see p. 448.

Membership of minors.

32. A person under the age of twenty-one but above the age of sixteen may be a member of a registered society, unless provision be made in the rules thereof to the contrary, and may, subject to the rules of the society, enjoy all the rights of a member (except as by this Act provided), and execute all instruments and give all acquittances necessary to be executed or given under the rules, but shall not be a member of the committee, trustee, manager or treasurer of the society.

See note to F. S. A., s. 36 (p. 87).

Minors over 16 years of age may be members unless the rules prohibit such members. They enjoy full rights as members subject only to the limitations contained in this section and (if any) in the rules. It does not appear, however, to what extent they are subject to the obligations imposed on a member.

Promissory notes and bills of exchange.

33. A promissory note or bill of exchange shall be deemed to have been made, accepted, or endorsed on behalf of any society if made, accepted, or endorsed in the name of the society, or by or on behalf or account of the society, by any person acting under the authority of the society.

This section is the same as that relating to companies: see Companies (Consolidation) Act, 1908, s. 77. See also s. 35 as to the making of contracts on behalf of a society.

This section does not confer on all societies registered under the Act a power to issue negotiable instruments; such a power exists only where, upon a fair construction of the rules, it appears that it was intended to be conferred: cf. *Re Peruvian Railways Co.* (1867), L. R. 2 Ch. 617, 623, but in general such a power would be inferred from the nature of the business of the society where the power to issue negotiable securities would be a necessary incident to the carrying on the business of the society.

Signing on behalf of society.

A promissory note that was signed by the managing director of a company in the form "I promise to pay . . . J. H. Smethurst's Laundry and Dye Works, Ld., J. H. Smethurst,

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managing director," was held to be signed on behalf of the company which was alone liable on it: *Chapman* v. *Smethurst*, (1909) 1 K. B. 927. See also *Alexander* v. *Sizer* (1869), L. R. 4 Ex. 102.

Authority.

Where a person who by the constitution of a society might have been authorized to draw bills of exchange on behalf of the society draws a bill on behalf of the society without having in fact received any authority to do so, a person taking the bill in due course is entitled to assume that he had authority in fact, and the society would be liable: see *Dey* v. *Pullinger Engineering Co.*, (1921) 1 K. B. 77. But where directors had authority to accept but no authority to endorse a bill on behalf of a company, they were held personally liable on a bill purporting to be accepted and endorsed on behalf of the company: *Elliott* v. *Bax-Ironside*, (1925) 2 K. B. 301.

Directors who purported to accept a bill for and on behalf of a society which had no power to accept bills were personally liable to a holder who took it on the faith of the false representation of the directors that they had authority to accept on behalf of the society: *West London Commercial Bank* v. *Kitson* (1884), 13 Q. B. D. 360.

Register of members or shares.

34. Any register or list of members or shares kept by any society shall be primâ facie evidence of any of the following particulars entered therein:—

(a) The names, addresses, and occupations of the members, the number of shares held by them respectively, the numbers of such shares, if they are distinguished by numbers, and the amount paid or agreed to be considered as paid on any such shares;

(b) The date at which the name of any person, company, or society was entered in such register or list as a member;

(c) The date at which any such person, company, or society ceased to be a member.

The register is *primâ facie* evidence only, it is not conclusive: see *Re Briton, &c. Association* (1888), 39 C. D. 61. The register of members may be inspected by a member or person having an interest in the funds: s. 17.

The Married Women's Property Act, 1882 (45 & 46 Vict. c. 75), deals with the interest of a married woman in an industrial and provident society in similar manner to her interest in a friendly society: see p. 25.

Amount paid on shares.

Where the rules provided for 5*l.* shares payable by instalments, but so that no member should be bound to pay any instalments, after the first, unless required by the directors, and that a member might withdraw the whole or any part of his subscriptions, members who had made payments on account of instalments and from time to time withdrawn part were liable in a winding-up to contribute the difference between the full value of the shares and the amount credited to the member at the date of the winding-up: *Re United Service Share Purchase Society*, (1909) 2 Ch. 526.

Contracts how made, varied, or discharged.

35. Contracts on behalf of a registered society may be made, varied, or discharged as follows:—

(a) Any contract, which if made between private persons would be by law required to be in writing, and if made according to the English law to be under seal, may be made on behalf of the society in writing under the common seal of the society, and may in the same manner be varied or discharged;

(b) Any contract, which if made between private persons would be by law required to be in writing and signed by the persons to be charged therewith, may be made on behalf of the society in writing by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged;

(c) Any contract under seal which, if made between private persons, might be varied or discharged by a writing not under seal, signed by any person interested therein, may be similarly varied or discharged on behalf of the society by a writing not under seal, signed by any person acting under the express or implied authority of the society;

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(d) Any contract, which if made between private persons would be by law valid though made by parol only and not reduced into writing, may be made by parol on behalf of the society by any person acting under the express or implied authority of the society, and may in the same manner be varied or discharged;

(e) A signature, purporting to be made by a person holding any office in the society, attached to a writing whereby any contract purports to be made, varied, or discharged by or on behalf of the society, shall primâ facie be taken to be the signature of a person holding at the time when the signature was made the office so stated.

All contracts which may be or have been made, varied, or discharged according to the provisions contained in this section, shall, so far as concerns the form thereof, be effectual in law and binding on the society and all other parties thereto, their heirs, executors, or administrators as the case may be.

Contracts generally.

As to bills of exchange and promissory notes, see s. 33, and as to the use of the society's name, see s. 12. Originally all contracts by corporations were required to be under seal, but in time exceptions became established in the case of trading corporations, so that apart from this section if the contracts made by a society by agents, its managers and others, are contracts which relate to the objects and purposes of the society, and are not inconsistent with the rules and regulations which govern their acts, they are valid and binding on the society though not under seal: *South of Ireland Colliery Co.* v. *Waddle* (1868), L. R. 3 C. P. 463; (1869) 4 C. P. 617. This section specifically provides for societies contracting without seal except as regards the contracts mentioned in clause (a).

The board of directors or other governing body of the society may by resolution or otherwise appoint an agent, either generally or in any particular case, to execute on behalf of the society any agreement or other instrument not under seal in relation to any matter within the powers of the society: Law of Property Act, 1925, s. 74 (2).

Directors who sign a promissory note on behalf of a society must make it clear on the face of it that they sign on behalf of the society and merely as agents for it, otherwise they will be personally liable, as in *Dutton* v. *Marsh* (1871), L. R. 6 Q. B. 361; unless there are on the note words such as "for the society" or "on account of the society," making it clear that they signed only as agents: *Lindus* v. *Melrose* (1858), 3 H. & N. 177; *Alexander* v. *Sizer* (1869), L. R. 4 Ex. 102. Cf. *Chapman* v. *Smethurst,* (1909) 1 K. B. 927. Contract by agent.

The secretary of a company may be authorised to sign a contract on behalf of a company: *Beer* v. *London & Paris Hotel Co.* (1875), L. R. 20 Eq. 412. The signature of the chairman of the directors of a company appended to a resolution, entered in the minute book of the directors, that a draft agreement already orally assented to on behalf of the company should be engrossed and executed was held sufficient to satisfy the Statute of Frauds and make the contract binding on the company: *Jones* v. *Victoria Graving Dock Co.* (1877), 2 Q. B. D. 314. Authorised agents.

The authorised agent may frequently be appointed by the rules as the person occupying a particular office, and clause (e) protects the person contracting with a society from the necessity to inquire if the person purporting to act as such officer does, in fact, hold such office. Where a rule provides that a contract signed by certain officers shall be conclusive that it is in conformity with the rules, a *bonâ fide* lender has a valid claim against a society on such a contract, although the borrowing was unauthorised: *Re Londonderry Equitable Co-operative Society,* (1910) 1 I. R. 69, 71.

Additional modes of executing deeds and other instruments by or on behalf of an industrial and provident society are provided by the Law of Property Act, 1925 (15 Geo. 5, c. 20), s. 74, but such section does not render ineffectual the modes authorised by s. 35 of the I. P. A.

Property and Funds of Registered Society.

36. A registered society may (if its rules do not direct otherwise) hold, purchase, or take on lease in its own name any land, and may sell, exchange, mortgage, lease, or build upon the same, or grant bonds and dispositions on security or other heritable securities over the same (with power to alter and pull down buildings and again rebuild), Holding of land.

S. 36. and no purchaser, assignee, mortgagee, tenant, or bondholder shall be bound to inquire as to the authority for any such sale, exchange, mortgage, or lease by the society, and the receipt of the society shall be a discharge for all moneys arising from or in connexion with such sale, exchange, mortgage, lease, or heritable security.

See note to F. S. A., s. 47 (p. 104). As regards the holding of land, industrial and provident societies differ from friendly societies in that they can hold land to any extent unless expressly prohibited by the rules.

Borrowing by societies.

A trading company has an implied power of borrowing for the purpose of its business: *General Auction Estate and Monetary Co.* v. *Smith,* (1891) 3 Ch. 432. Although a society is empowered by its rules to borrow to an unlimited extent, such power is limited to borrowing for the proper objects of the society: *Sinclair* v. *Brougham,* (1914) A. C. 398; and persons paying moneys to a society on an *ultra vires* contract of loan are not entitled to recover such moneys on the footing of money had and received by the society to their use: *Ib.*

The rules should define the borrowing powers of the society, and by whom and under what authority the same shall be exercisable. An agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section, is prohibited from borrowing, except with the consent of the Minister of Agriculture and Fisheries: p. 476.

An advance on loan to a public utility society by the Public Works Loan Commissioners under the Housing Act, 1925 (see p. 373), may be made whether the society has or has not power to borrow on mortgage or otherwise independently of the Act. In the case of any such advance the period for repayment shall not exceed fifty years, and no money shall be advanced on mortgage of any land or houses solely unless the estate therein proposed to be mortgaged is either an estate in fee simple or an estate for a term of years absolute whereof a period not less than ten years in excess of the period fixed for the repayment of the sums advanced remains unexpired at the date of the loan, and the money advanced on the security of land or houses solely shall not exceed two-thirds of the value of the land or houses proposed to be mortgaged: Housing Act, 1925, s. 90.

A public utility society shall have power, notwithstanding anything in its rules or constitution prohibiting the payment of interest on loan capital at a rate exceeding 6 p.c.p.a., to raise

money on loan at a rate of interest not exceeding the rate of interest for the time being prescribed by the Treasury for the purposes of the Housing Act, 1925, with respect to public utility societies: *Ib.*

Any authorised association within the meaning of the Town Planning Act, 1925 (see p. 373), shall have power, notwithstanding anything in its rules or constitution prohibiting the payment of any interest on loan capital at a rate exceeding 6 p.c.p.a., to raise money on loan at a rate of interest not exceeding the rate for the time being prescribed by the Treasury: Town Planning Act, 1925 (15 Geo. 5, c. 16), s. 16; Town Planning (Scotland) Act, 1925, s. 15.

Debentures.

Debentures issued by a registered society charging by way of security the society's personal chattels in addition to its real and leasehold property are not exempted by the Bills of Sale Act (1878) Amendment Act, 1882 (45 & 46 Vict. c. 43), s. 17, from the statutory requirements in respect of bills of sale, so that such debentures are invalid as a charge on the personal chattels: *Great Northern Railway Co* v. *Coal Co-operative Society,* (1896) 1 Ch. 187; and in a debenture charging all the society's property present and future, including its uncalled capital, the property, though described in general terms, is severable, so that the debenture is a valid charge upon such of the assets of the society as do not consist of personal chattels within s. 4 of the Bills of Sales Act, 1878: *Re North Wales Produce and Supply Society,* (1922) 2 Ch. 340.

The Forged Transfer Acts, 1891 and 1892, apply to a society which is thereby empowered to borrow for the purpose of providing the compensation authorised by the Acts for loss arising from forged transfer of securities of the society.

Provision as to copyholds.

37. Where any registered society is entitled in equity to any hereditaments of copyhold or customary tenure, either absolutely or by way of mortgage or security, the lord of the manor of which the same are held shall from time to time, if the society so require, admit such persons (not to exceed three) as such society appoints to be trustees on its behalf, as tenants in respect of such hereditaments, on payment of the usual fines, fees, and other dues payable on the admission of a single tenant, or may admit the society as tenant in respect of the same on payment

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of such special fine or compensation, in lieu of fine and fees, as may be agreed upon between such lord and the society.

See note to F. S. A., s. 48 (p. 107).

Investments by societies.

38.—(1.) A registered society may invest any part of its capital in or upon any security authorised by its rules, and also, if the rules do not direct otherwise—

(a) in or upon any security in which trustees are for the time being authorised by law to invest; and

(b) in or upon any mortgage, bond, debenture, debenture stock, corporation stock, annuity, rent-charge, rent, or other security (not being securities payable to bearer) authorised by or under any Act of Parliament passed or to be passed of any local authority as defined by section thirty-four of the Local Loans Act, 1875; and

38 & 39 Vict. c. 83.

(c) in the shares or on the security of any other society registered or deemed to be registered under this Act, or under the Building Societies Acts, or of any company registered under the Companies Acts or incorporated by Act of Parliament or by charter, provided that no such investment be made in the shares of any society or company other than one with limited liability.

(2.) A society so investing shall be deemed to be a person within the meaning of the Companies Acts, and of the Building Societies Acts.

(3.) Any investments made before the passing of this Act, which would have been valid if this Act had then been in force are hereby ratified and confirmed.

The rules must determine in what manner any part of the capital is to be invested: s. 10 and Sched. II. 12. In addition, unless the rules direct otherwise, a society may invest in land or as mentioned in this section. Certain societies may invest in savings banks (s. 39), and a society may by rule authorise advances to members: s. 40.

It must be noticed that the section only authorises investments in or upon any "security" authorised by the rules or by law to trustees, and for the meaning of this see p. 98. It would appear that the word is used in this Act in its strict and limited sense, and is not equivalent to investment; if this be so, even the range of trust investments open to a society may be limited, and the rules cannot authorise an investment in anything which is not a security.

"Local authority" means the justices of any county, liberty, riding, parts or division of a county in general or quarter sessions assembled, the council of any municipal borough, also any authority whatsoever having power to levy a rate as in this Act defined [*i.e.*, a rate, the proceeds of which are applicable to public local purposes and leviable on the basis of an assessment in respect of property], also any prescribed authority [*i.e.*, prescribed by any Act authorising a local authority to borrow money]: Local Loans Act, 1875 (38 & 39 Vict. c. 83), s. 34.

Charges on registered land may be made to an industrial and provident society, and dealt with and discharged in a manner similar to those made to a friendly society: see pp. 100, 122.

Power to invest in savings banks.

26 & 27 Vict. c. 87.

39. A society (not being one chargeable with income tax in pursuance of this Act) may invest its capital and funds, or any part thereof to any amount, in any savings bank certified under the Trustee Savings Banks Act, 1863, or in a post office savings bank.

The societies which are exempt from income tax and so able to invest under this section are defined in s. 39 (4) of the Income Tax Act, 1918, see p. 397. Only societies which sell to non-members *and* limit the number of their shares are unable to invest under this section. This power is similar to that in F. S. A., s. 44 (a), see p. 96.

Advances to members.

40. The rules of a registered society may provide for advances of money to members on the security of real or personal property, or in the case of a society registered to carry on banking business in any manner customary in the conduct of such business.

Advances to members must be authorised by rule and must only be upon security of property, except in the case of societies carrying on banking business: as to which see s. 19.

Ss. 40, 41.

Agricultural credit societies.

In the case of an agricultural credit society to which s. 2 of the Agricultural Credits Act, 1923, applies, and to which an advance has been made under that section, advances to members may be made without any security on real or personal property, and may be of such amount as the society thinks fit, but so that an advance to any member shall not exceed one-tenth part of the share capital of the society for the time being issued, or more than an amount equal to five pounds for every one pound share held by the member on which a sum of five shillings has been paid: see p. 475.

Societies members of other bodies corporate may vote by proxy.

41. A registered society which has invested any part of its capital in the shares or on the security of any other body corporate may appoint as proxy any one of its members although such member is not personally a shareholder of such other body corporate. The proxy shall, during the continuance of his appointment, be taken in virtue thereof as holding the number of shares held by the society by whom he is appointed for all purposes except the transfer of any such shares, or the giving receipts for any dividends thereon.

The investments here referred to are those effected under s. 38 (1) (c), p. 412.

The following forms of proxy papers are suggested:—

1. General appointment.

1. The Society, Ltd., being a society registered under the Industrial and Provident Societies Act, 1893, and one of the proprietors of the company, hereby appoints A. B., of , who is hereby certified to be a member of the society, to be its proxy, to vote in its name as he shall think proper upon any matter relating to the undertaking of the company proposed at any meeting of the company to be held during the continuance of this appointment and otherwise to be the representative of the society in such company.

In witness whereof the common seal of the society attested as is required by its rules is hereto set this day of 19 .

2. Revocation of general proxy.

2. The Society, Ltd., hereby revokes the appointment of , of , who is the proxy of the society in the company, made by an instrument under the common seal of the society and dated the day of 19 .

In witness, &c. [*as above*].

3. Special appointment.

3. The Society, Ltd., being a society registered under the Industrial and Provident Societies Act, 1893, and one of the proprietors of the company, hereby appoints A. B., of , who is hereby certified to be a member of the society, to vote in its name as he shall think proper upon any matter relating to the undertaking of the company proposed at the meeting of the proprietors of the company to be held on the day of next, or at any adjournment thereof.

In witness, &c. [*as above*].

Stamps on proxies.

By the Stamp Act, 1891 (54 & 55 Vict. c. 39), an instrument for the sole purpose of appointing or authorising a proxy to vote at any one meeting at which votes may be given by proxy, whether the number of persons named in such instrument be one or more, is charged with the duty of 1*d*., but any other instrument appointing a proxy is charged with 10*s*. It would appear that an instrument revoking the appointment of a proxy would not be liable to any duty.

Any body corporate may hold shares in a society.

42. Any other body corporate may, if its regulations permit, hold shares by its corporate name in a registered society.

Limit to holding.

Unless such other body corporate is itself a society registered under this Act its interest in the shares of the society must not exceed 200*l*.: s. 4 (a), p. 370.

Discharge of Mortgages by Receipt endorsed.

Discharge of mortgages by receipt endorsed.

43. In England and Ireland—

(1.) A receipt in full, signed by two members of the committee, and countersigned by the secretary, of a registered society, for all moneys secured to the society on the security of any property to which such receipt relates, and being in the Form A. in the Third Schedule to this Act, or in any other form specified in the rules of the society or any schedule thereto, if endorsed on or annexed to any mortgage or assurance, shall vacate the same and vest the property therein com-

Ss. 43, 44.

prised in the person entitled to the equity of redemption thereof without any formal re-conveyance or surrender.

(2.) If such mortgage or other assurance has been registered under any Act for the registration or record of deeds or titles, or is of copyholds or lands of customary tenure, and is entered on any court rolls, the registrar under such Act, or recording officer, or steward of the manor, or keeper of the register, shall, on production of such receipt verified by oath or statutory declaration of any person, enter satisfaction on the register or on the court rolls respectively of such mortgage or of the charge made by such assurance, and shall grant a certificate, either upon such mortgage or assurance or separately to the like effect, which certificate shall be received in evidence in all courts and proceedings without further proof; and such registrar, recording officer, steward, or keeper of the register shall be entitled, for making the said entry and granting the said certificate, to a fee of two shillings and sixpence, which in Ireland shall be paid by stamps and applied in accordance with the Public Offices Fees Act, 1879.

42 & 43 Vict. c. 58.

This section is similar to the F. S. A., s. 53; and as from January 1st, 1926, the effect of the section has been modified by s. 115 of the Law of Property Act, 1925 (15 Geo. 5, c. 20) (see pp. 117—121). If the society is in liquidation, the receipt may be signed by the liquidator or liquidators: s. 45.

Discharge of mortgages in Scotland.

44. In Scotland—

(1.) A receipt in full, signed by two members of the committee, and countersigned by the secretary, of a registered society, for all moneys

secured to the society on the security of any property to which such receipt relates, and being in or as nearly as may be in the Form B. in the Third Schedule to this Act, if endorsed on or annexed to any heritable security other than one in the form of an ex-facie or other absolute conveyance or disposition, shall, on the registration thereof in the appropriate register of sasines, operate as a renunciation and discharge of such heritable security, and effectually disburden the lands, or estate in land, or other subjects comprised therein, in the same manner and to the same effect as if a formal discharge containing all usual clauses according to the present practice had been granted by the society.

(2.) Such a receipt so signed, and being in or as nearly as may be in the Form C. in the said schedule, endorsed on or annexed to any heritable security in the form of an ex-facie or other absolute conveyance, or of an absolute disposition, whether qualified by a back bond or not, shall, on the registration thereof in the appropriate register of sasines, effectively discharge the heritable security so constituted, and disburden the lands, or estate in land, or other subjects comprised in the heritable security, and vest and convey the same in and to the person or persons entitled thereto at the date of the granting of the receipt, and that to the same effect and in the same manner as if a formal conveyance, containing all usual clauses according to the present practice, had been granted by the society to such person or persons and duly recorded.

S. 44.

(3.) Such a receipt so signed, and being in or as nearly as may be in the Form D. in the said schedule hereto, endorsed on or annexed to any security or assurance other than a heritable security, shall (on being duly intimated where the original security or assurance was intimated) vacate the same, and re-vest the property therein comprised in the person or persons entitled to the same, without the necessity of any more formal discharge or other deed.

(4.) Nothing herein contained shall preclude any person or persons from adopting the forms and procedure presently in use in lieu of those provided under this Act, and, in case of any error or defect in connexion with the use of the forms under this Act, it shall be competent of new to make and record any deed or deeds which may be necessary, whether under this Act or otherwise.

(5.) The registration of such receipts as aforesaid shall be made in conformity with the provisions regulating registration in the registers concerned, but the dues on the registration of any one receipt shall in no case exceed five shillings. No stamp duty shall be payable on any receipt registered under this section.

(6.) In this section, and in the schedule relating hereto, the expressions "heritable security," "lands" (including "land"), "estate in land," "debtor," "successors" (including "successor"), "deed" or "deeds," and "conveyance," shall each respectively have the meaning attached thereto by the Titles to Land Consolidation (Scotland) Act, 1868, the Titles to Land Consolidation (Scotland) Amendment Act, 1869, and the Conveyancing (Scotland) Act, 1874, and the expres-

31 & 32 Vict. c. 101.
32 & 33 Vict. c. 116.
37 & 38 Vict. c. 94.

sion "heritable security" shall include securities over lands or estates in lands by way of ex-facie or other absolute dispositions whether qualified by back bond or not.

For these meanings, see the Titles to Land Consolidation (Scotland) Act, 1868, s. 3, and the Conveyancing (Scotland) Act, 1874, s. 3. This section contains special provisions simplifying the discharge of heritable securities in Scotland (sub-ss. 1—3), but, if preferred, the forms under the Conveyancing Acts may be used: sub-s. 4.

Receipt in case of society in liquidation.

45. Where a registered society is in liquidation, the signature to such a receipt as aforesaid of the liquidator or liquidators for the time being, described as such, shall have the same effect, and shall be entitled to the same exemption from stamp duty, as would under this Act attach to a similar receipt signed as aforesaid if the society were not in liquidation.

The only exemption from stamp duty is that contained in s. 44 (5), relating to receipts registered under s. 44, discharging mortgages in Scotland.

Execution of deeds.

46.—(1.) Any deed or writ to which any registered society is a party shall be held to be duly executed on behalf of such society in Scotland if it is either executed in conformity with the present law thereof or is sealed with the common seal of the society, subscribed on its behalf by two members of the committee and the secretary of the society, whether such subscription is attested by witnesses or not.

(2.) On payment of all moneys intended to be secured to a society by any of the aforesaid securities, the debtor or his successor or representatives shall be entitled to a receipt in the appropriate form provided by this Act.

Whilst sub-s. 1 applies to Scotland only, sub-s. 2 is not so limited, and the expression "the aforesaid securities" appears to refer to those mentioned in s. 43, as well as those mentioned

Ss. 46—48.

in s. 44. Sub-s. 2 does not appear to prevent a mortgagor, at any rate as regards mortgages in Scotland (s. 44 (4)), from having a reconveyance of the property comprised in the security in lieu of having a statutory receipt endorsed thereon in case for any reason he preferred the former.

Officers in receipt or charge of Money.

Security by officers.

47. Every officer of a registered society having receipt or charge of money, if the rules of the society require, shall, before taking upon himself the execution of his office, become bound, either with or without a surety as the committee may require, in a bond according to one of the forms set forth in the Third Schedule to this Act, or such other form as the committee of the society approve, or give the security of a guarantee society, in such sum as the committee directs, conditioned for his rendering a just and true account of all moneys received and paid by him on account of the society at such times as its rules appoint, or as the society or the committee thereof require him to do, and for the payment by him of all sums due from him to the society.

See the note to F. S. A., s. 54 (p. 123). For the Third Schedule, see p. 457. In taking this security an industrial and provident society is not bound to have a surety—as is the case with a friendly society.

Accounts of officers.

48.—(1.) Every officer of a registered society having receipt or charge of money, or his executors or administrators, shall, at such times as by the rules of the society he should render account, or upon demand made, or notice in writing given or left at his last or usual place of residence, give in his account as may be required by the society, or by the committee thereof, to be examined and allowed or disallowed by them, and shall, on the like demand or notice, pay over all moneys and deliver all property for the time being in his hands or custody to such person as the society or the committee appoint; and

in case of any neglect or refusal to deliver such account, or to pay over such moneys or to deliver such property in manner aforesaid, the society may sue upon the bond or security before mentioned, or may apply to the county court (which may proceed in a summary way), or to a court of summary jurisdiction, and the order of either such court shall be final and conclusive. Ss. 48, 49.

(2.) This section shall apply to every servant of a registered society in receipt or charge of money in every case where he is not engaged under a special agreement to account.

See the note to F. S. A., s. 55 (p. 125). Sub-s. 2 extends the section to servants in receipt of money as well as officers.

An application to the county court against an officer of any society shall, whether any bond be put in suit or not, be by action commenced by plaint or summons in the ordinary way, in which the society shall be plaintiffs, and the officer against whom the application is made shall be defendant: C. C. R. Ord. XLI. r. 7. For the particulars in such actions, see *Ib.* rr. 8, 9 and 10 (p. 126). County court application.

Disputes.

49.—(1.) Every dispute between a member of a registered society, or any person aggrieved who has for not more than six months ceased to be a member of a registered society, or any person claiming through such member or person aggrieved, or claiming under the rules of a registered society, and the society or an officer thereof, shall be decided in manner directed by the rules of the society, if they contain any such direction, and the decision so made shall be binding and conclusive on all parties without appeal, and shall not be removable into any court of law or restrainable by injunction; and application for the enforcement thereof may be made to the county court. Decision of disputes.

This sub-section is in effect the same as the F. S. A., s. 68 (1), prior to the amendment made therein by the F. S. A., 1908 (see pp. 144—153). It is not obligatory on a society to have any

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rule regulating the settlement of disputes, and it is only if there is such a rule that sub-s. 1 applies. As to the meaning of "person aggrieved," see p. 212.

The committee of a society passed resolutions (1) permitting members to withdraw or to cancel or give up their shares and authorising payments to be made to such members for the purchase of such shares or otherwise in respect of such withdrawal, and (2) authorising certain land to be conveyed to members in consideration of the liquidation or cancellation of shares held by them. An action brought by a member against the committee and the society to have it declared that these resolutions were *ultra vires* the society, was stayed under a rule of the society providing that disputes should be referred to arbitration: *Cox* v. *Hutchinson*, (1910) 1 Ch. 513.

An action by a member claiming that certain rules of the society were not binding as being illegal as in unreasonable restraint of trade and *ultra vires* the society is not a dispute within the section: *McEllistrim* v. *Ballymacelligott Co-operative Agricultural and Dairy Society*, (1919) A. C. 548. Cf. *Re Quinn and National Catholic Benefit and Thrift Society*, (1921) 2 Ch. 318.

(2.) The parties to a dispute in a society may, by consent (unless the rules of such society expressly forbid it), refer such dispute to the chief registrar, or to the assistant registrar in Scotland or Ireland, who shall, with the consent of the Treasury, either by himself or by any other registrar, hear and determine such dispute, and shall have power to order the expenses of determining the same to be paid either out of the funds of the society or by such parties to the dispute as he shall think fit, and such determination and order shall have the same effect and be enforceable in like manner as a decision made in the manner directed by the rules of the society.

(3.) The chief or other registrar to whom any dispute is referred may administer oaths, and may require the attendance of all parties concerned and of witnesses, and the production of all books and documents relating to the matter in question; and any person refusing to attend, or to produce any documents, or to give evidence before such

chief or other registrar, shall be guilty of an offence under this Act. S. 49.

Every reference of a dispute to the chief or assistant registrar shall be written on foolscap paper *in duplicate* in Form P. (p. 560): P. S. R. 18. Such registrar, upon receipt of the reference, shall transmit one copy of it to the Treasury for their consent: *Ib.* 19. Every notice of hearing by the chief or assistant registrar, and every requisition for the attendance of parties and witnesses, and the production of books and documents, shall be in Form Q. (p. 561): *Ib.* 20. Where it is necessary to enforce the attendance of a particular witness, or the production of a particular document, notice shall be in Form R. (p. 561): *Ib.* 21. The determination and order of the chief or assistant registrar shall be in Form V. (p. 561), or as near thereto as the circumstances of the case may in his judgment allow: *Ib.* 24. Reference to registrar.

As to the fees for the determination of registrar on a dispute, see p. 448.

(4.) Where the rules of a society direct that disputes shall be referred to justices, the dispute shall be determined by a court of summary jurisdiction:

Provided that in every case of dispute cognisable under the rules of a society by a court of summary jurisdiction, it shall be lawful for the parties thereto to enter into a consent referring such dispute to the county court, which may hear and determine the matter in dispute.

(5.) Where the rules contain no direction as to disputes, or where no decision is made on a dispute within forty days after application to the society for a reference under its rules, the member or person aggrieved may apply either to the county court, or to a court of summary jurisdiction, which may hear and determine the matter in dispute.

Any dispute referred to the county court is regulated by the C. C. R. Ord. XLI. rr. 1—4, see p. 157. The jurisdiction conferred by this sub-section does not oust the jurisdiction of the High Court. Reference to county court.

(6.) Notwithstanding anything contained in the Arbitration Act, 1889, or in any other Act, the court and the 52 & 53 Vict. c. 49.

s. 49, 50. chief or other registrar shall not be compelled to state a special case on any question of law arising in the case, but the court or chief or other registrar may, at the request of either party, state a case for the opinion in England or Ireland of the Supreme Court of Judicature, and in Scotland of either division of the Inner House of the Court of Session, on any question of law, and may also grant to either party such discovery as to documents and otherwise, or such inspection of documents, and in Scotland may grant such warrant for the recovery of documents and examination of havers, as might be granted by any court of law or equity; such discovery to be made on behalf of the society by such officer of the same as such court or registrar may determine.

Discovery. If an order for discovery is necessary, it shall be in Form S. (p. 561): P. S. R. 22. In Scotland, if a warrant for the recovery of documents and examination of havers is necessary, it shall be in Form T. or U. (p. 561): *Ib.* 23.

Inspection of Affairs.

Power to appoint inspectors. **50.**—(1.) Upon the application of one-tenth of the whole number of members of a registered society, or of one hundred members in the case of a society exceeding one thousand members, the chief registrar, or, in the case of societies registered and doing business exclusively in Scotland or Ireland, the assistant registrar for Scotland or Ireland respectively, but with the consent of the Treasury in every case, may—

(a) appoint an inspector or inspectors to examine into and report on the affairs of such society; or

(b) call a special meeting of the society.

(2.) The application under this section shall be supported by such evidence, for the purpose of showing that the applicants have good reason for requiring such inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their applica-

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tion, and such notice thereof shall be given to the society, as the chief registrar shall direct.

(3.) The chief registrar or such assistant registrar may, if he think fit, require the applicants to give security for the costs of the proposed inspection or meeting before appointing any inspector or calling such meeting.

(4.) All expenses of and incidental [or preliminary] to any such inspection or meeting shall be defrayed by the members applying for the same, or out of the funds of the society, or by the members or officers, or former members or officers, of the society in such proportions as the chief registrar or such assistant registrar shall direct.

(5.) An inspector appointed under this section may require the production of all or any of the books, accounts, securities, and documents of the society, and may examine on oath its officers, members, agents, and servants in relation to its business, and may administer an oath accordingly.

(6.) The chief registrar or such assistant registrar may direct at what time and place a special meeting under this section is to be held, and what matters are to be discussed and determined at the meeting, and the meeting shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule of the society to the contrary notwithstanding.

The words " or preliminary " in sub-s. 4 were inserted by the P. S. A., 1913, s. 9 (p. 468).

See the notes to F. S. A., s. 76 (pp. 177—181).

Procedure.

An application for appointment of inspectors, or for calling a special meeting, shall be sent to the chief registrar, or in the case of societies registered and doing business in Scotland or Ireland exclusively, to the assistant registrar for Scotland or Ireland, as the case may be, written on foolscap paper, *in duplicate,* in Form W. (p. 561), and shall be accompanied by a statutory declaration in Form X. (p. 562), signed by three at least of the applicants: P. S. R. 25. The chief or assistant registrar may,

Ss. 50, 51.

immediately upon receipt of the application, transmit one copy to the Treasury for their consent, or may, before such transmission, give notice of the application to the society, and send to the Treasury any answer the society may make: *Ib.* 26. The appointment of inspectors shall be in Form Y. (p. 562), or as near thereto as circumstances may allow: *Ib.* 27. The notice of special meeting shall be in Form Z. (p. 562): *Ib.* 28. The chairman of the special meeting shall report to the chief or assistant registrar as he may direct in Form ZA. (p. 562): *Ib.* 29.

The fee for the appointment of an inspector or calling of a special meeting by the registrar is 5*l.* (p. 448).

Change of Name: Amalgamation: Conversion.

Meaning of special resolution.

51. For the purposes of this Act a special resolution shall mean a resolution which is—

(a) passed by a majority of not less than three-fourths of such members of a registered society for the time being entitled under the rules to vote as may have voted in person, or by proxy where the rules allow proxies, at any general meeting of which notice, specifying the intention to propose the resolutions, has been duly given according to the rules; and

(b) confirmed by a majority of such members for the time being entitled under the rules to vote as may have voted in person, or by proxy where the rules allow proxies, at a subsequent general meeting of which notice has been duly given, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed.

At any meeting mentioned in this section a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of the fact.

See note to F. S. A., s. 74 (p. 173). It must be noticed that the specified majority requisite at each meeting for passing a special resolution under this Act is a majority of such members entitled to vote *as may have voted* in person or by proxy at the meeting, and not a majority of such members entitled to vote

as may be present at the meeting which is requisite in the case of special resolutions passed by friendly societies or companies. The difference is a material one: it is therefore necessary that votes both for and against the resolution should be counted at both meetings.

Power to change name.

52. A registered society may, by special resolution, with the approval in writing of the chief registrar, or, in the case of societies registered and doing business exclusively in Scotland or Ireland, the assistant registrar for Scotland or Ireland respectively, change its name; but no such change shall affect any right or obligation of the society, or of any member thereof, and any pending legal proceedings may be continued by or against the society notwithstanding its new name.

See the F. S. A., s. 69 (p. 160), and note thereto.

Every application for approval of change of name must be made *in duplicate,* in Form AA. (p. 562), and must be sent to the chief registrar, or in the case of societies registered and doing business exclusively in Scotland or Ireland, to the assistant registrar for Scotland or Ireland, as the case may be, accompanied by a statutory declaration in Form AB. (p. 562): P. S. R. 30. If approved of, the word "approved" shall be written at the foot or end of each such copy, and the same shall be signed by the chief registrar, or in the case of societies registered and doing business exclusively in Scotland or Ireland, by the assistant registrar for Scotland or Ireland, as the case may be: *Ib.*

Amalgamation and transfer of engagements.

53.—(1.) Any two or more registered societies may, by special resolution of both or all such societies, become amalgamated together as one society, with or without any dissolution or division of the funds of such societies or either of them, and the property of such societies shall become vested in the amalgamated society without the necessity of any form of conveyance other than that contained in the special resolution amalgamating the societies.

Amalgamation.

See F. S. A., s. 70 (1) (p. 161), from which this sub-section differs in providing specifically that the property of the amalgamating societies vests in the amalgamated society.

Ss. 53, 54.

Every application to register a special resolution for the amalgamation of societies must be made by each of the societies *in duplicate,* in Form AC. (p. 562), and must be sent to the central office, accompanied by statutory declarations from officers of each society, in Form AB. (p. 562): P. S. R. 31. No acknowledgment of registry shall be given to either society until special resolutions in the like terms have been submitted for registry by the other or others: *Ib.*

Amalgamation as a popular expression appears to include transactions which are usually carried out by a transfer of the business of one or more societies to another society either already existing or newly formed for the purpose of which the members of the transferring societies become, or have the right to become, members, and the subsequent dissolution of the transferring societies. Such transactions are apparently provided for under sub-sect. 2, but an amalgamation carried out under sub-sect. 1 has an advantage over such transactions, in that it avoids the necessity for any transfer of the property of one society to another other than that contained in the special resolution effecting the amalgamation. It is desirable that the resolution should expressly or by reference (*e.g.*, to an agreement for amalgamation) set out the principal details of the terms of the amalgamation.

(2.) Any registered society may by special resolution transfer its engagements to any other registered society which may undertake to fulfil the engagements of such society.

Transfer of engagements.

See F. S. A., s. 70 (2) (p. 161). Every application to register a special resolution for the transfer of the engagements of a society to another must be *in duplicate,* in Form AD. (p. 563), and must be sent to the central office, accompanied by statutory declarations in Forms AB. and AE. (pp. 562, 563): P. S. R. 32.

The society accepting a transfer must have power under its rules to acquire the property and liabilities of the other society.

On a transfer of engagements the registration of the society is not to be cancelled till the certificate required by P. S. A., 1913, s. 8, has been lodged with the registrar (see p. 468).

Conversion of society into company.

54.—(1.) A registered society may by special resolution determine to convert itself into a company under

the Companies Acts, or to amalgamate with or transfer its engagements to any such company.

(2.) If a special resolution for converting a registered society into a company contains the particulars by the Companies Acts required to be contained in the memorandum of association of a company, and a copy thereof has been registered at the central office, a copy of such resolution under the seal or stamp of the central office shall have the same effect as a memorandum of association duly signed and attested under the said Act.

(3.) If a registered society is registered as, or amalgamates with, or transfers all its engagements to, a company, the registry of such society under this Act shall thereupon become void, and the same shall be cancelled by the chief registrar or by the assistant registrar for Scotland or Ireland under his direction; but the registration of a society as a company shall not affect any right or claim for the time being subsisting against such society, or any penalty for the time being incurred by such society; and, for the purpose of enforcing any such right, claim, or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and every such right or claim, or the liability to such penalty, shall have priority, as against the property of such company, over all other rights or claims against or liabilities of such company.

This section is similar to the F. S. A., s. 71 (p. 166). The reference to the Companies Acts in this section must be construed as a reference to the Companies Acts, 1908 to 1917.

Every application to register a special resolution for converting a society into a company must be *in triplicate,* in Form AF. (p. 563), and must be sent to the central office, accompanied by a statutory declaration, in Form AB. (p. 562): P. S. R. 33. An application for registry of a special resolution for amalgamation with a company, or for transfer of engagements to a company, shall be *in duplicate,* in Form AC. or AD. (pp. 562,

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563), as the case may be, with the necessary modifications to suit the facts, and shall be accompanied by statutory declarations in Forms AB. and AG. (pp. 562, 563): *Ib.* 34.

Conversion of company into society.

55.—(1.) A company registered under the Companies Acts may, by a special resolution, determine to convert itself into a registered society, and, for this purpose, in any case where the nominal value of its shares held by any member other than a registered society exceeds two hundred pounds, may, by such resolution, provide for the conversion of the excess of such share capital over two hundred pounds into a transferable loan stock bearing such rate of interest as may thereby be fixed, and repayable on such conditions only as are in such resolution determined.

This section provides for the converse process to that provided for by s. 54. The special resolution required for the purposes of this section is presumably a special resolution as defined by the Cos. (Cons.) A., 1908, s. 69, not as defined by s. 51 of this Act (see p. 426). If the excess of the share capital of the company is not converted into loan stock, it would seem that provision must be made for its immediate transfer to persons enabled to hold it or for its repayment.

(2.) A resolution for the conversion of a company into a registered society shall be accompanied by a copy of the rules of the society therein referred to, and shall appoint seven persons, members of the company, who, together with the secretary, shall sign the rules, and who may either be authorised to accept any alterations made by the registrar therein, without further consulting the company, or may be required to lay all such alterations before the company in general meeting for acceptance as the resolution may direct.

(3.) With the rules a copy of the special resolution for conversion of the company into a registered society shall be sent to the registrar, who, upon the registration of the society, shall give to it, in addition to the acknowledgment of registry, a certificate similarly sealed or

signed that the rules of the society referred to in the resolution have been registered, but in the registered name of the company as a society the word "company" shall not be used.

(4.) A copy of the resolution for the conversion of the company into a registered society under the seal of the company, together with the certificate so issued by the registrar, shall be sent for registration to the office of the Registrar of Joint Stock Companies, and, upon the registration of such resolution and certificate, the conversion shall take effect.

(5.) Upon the conversion of a company into a registered society the registry of the company under the Companies Acts shall become void, and shall be cancelled by the Registrar of Joint Stock Companies; but the registration of a company as a registered society shall not affect any right or claim for the time being subsisting against the company, or any penalty for the time being incurred by such company, and, for the purpose of enforcing any such right, claim, or penalty, the company may be sued and proceeded against in the same manner as if it had not become registered as a society. And every such right or claim, and the liability to such penalty, shall have priority as against the property of such society over all other rights or claims against or liabilities of the society.

Registration of special resolutions.

56. A copy of every special resolution for any of the purposes mentioned in this Act, signed by the chairman of the meeting at which the resolution was confirmed, and countersigned by the secretary of the society, shall be sent to the central office and registered there, and until that copy is so registered the special resolution shall not take effect.

See F. S. A., s. 75 (p. 176).

A special resolution shall be registered by writing at the foot or end of each copy of the same the word "registered," and by affixing to the same the seal or stamp of the central office:

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P. S. R. 35. Where the special resolution is for conversion into, amalgamation with, or transfer of all the engagements of a society to a company, the following words shall be added:—"The registry of the ——— society is hereby cancelled (*or* directed to be cancelled), ——— chief registrar": *Ib.* 36. Where a special resolution is passed by a society registered and doing business exclusively in Scotland or Ireland it shall be sent to the central office through the assistant registrar for Scotland or Ireland, as the case may be: *Ib.* 37. Where a special resolution is registered, passed by a society which is registered or does business in Scotland or Ireland, the central office shall forthwith apprise the assistant registrar for Scotland or Ireland, as the case may be, of the same having been so registered, and the chief registrar shall, where necessary, give directions for cancelling the registry of such society: *Ib.*

The fee for registry of a special resolution is 1*l.* (p. 448).

Failure to register a special resolution is an offence: s. 62 (p. 442).

Saving for rights of creditors.

57. An amalgamation or transfer of engagements in pursuance of this Act shall not prejudice any right of a creditor of any registered society party thereto.

Cf. F. S. A., s. 72 (p. 170).

Dissolution of Societies.

Provisions as to dissolution of societies.

58. A registered society may be dissolved—

(a) By an order to wind up the society, or a resolution for the winding up thereof, made as is directed in regard to companies by the Companies Acts, 1862 to 1890, the provisions whereof shall apply to any such order or resolution, except that the term "registrar" shall for the purpose of such winding up have the meaning given to it by this Act; or

(b) By the consent of three fourths of the members, testified by their signatures to an instrument of dissolution.

Clause (a) must now be construed as referring to the Cos. (Cons.) A., 1908 (8 Edw. 7, c. 69), ss. 122—238 of which relate to the winding-up of companies.

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It is beyond the scope of this work to treat in detail of the winding-up of a society either compulsorily or voluntarily like a company, or of the various matters which may arise in the course of a winding-up: if necessary, reference must be made to the well-known text-books dealing with the subject. It may be useful, however, to mention a few prominent points.

Court having jurisdiction.

The Court having jurisdiction to wind up a society is the High Court if the society has a capital paid up, or credited as paid up, exceeding 10,000*l.*, or if the registered office of the society is within the jurisdiction of the Metropolitan County Courts; otherwise when the capital does not exceed 10,000*l.* the Court is the county court within whose jurisdiction the registered office is situate: Cos. (Cons.) A., 1908, s. 131.

In all proceedings in winding-up a society in Scotland the Court having jurisdiction is the sheriff court: Industrial and Provident Societies (Amendment) Act, 1895 (58 & 59 Vict. c. 30), s. 2 (p. 464).

Winding-up in county court.

In the county court the provisions of the Cos. (Cons.) A., 1908, and the rules made thereunder, so far as they relate to winding-up, shall apply to the winding-up of societies registered under the Industrial and Provident Societies Act, 1893, and the winding-up shall be conducted in all respects as if such societies were companies registered under the said Companies Act, 1908. Costs shall be taxed according to the scale of costs for the time being in use in the Supreme Court: C. C. R. Ord. XLI. r. 12. The rules in force are the Companies (Winding-up) Rules, 1909.

Grounds for winding-up order.

The circumstances under which a society may be wound up by the Court are:—(1) If the society has by special resolution resolved that the society be wound up by the Court; (2) if the society does not commence its business within a year from its incorporation or suspends its business for a whole year; (3) if the number of members are reduced below seven; (4) if the society is unable to pay its debts; (5) if the Court is of opinion that it is just and equitable that the society should be wound up: Cos. (Cons.) A., 1908, s. 129; and s. 130 defines when a society shall be deemed unable to pay its debts.

Who may petition.

The application to wind up must be by petition presented by the society or a creditor (including a contingent or prospective creditor) or a contributory. A contributory cannot petition unless the number of members is reduced below seven, or unless some of his shares were originally allotted to him or have been held by him for at least six months of the eighteen months preceding the winding-up, or have devolved on him by death of a holder.

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A contingent or prospective creditor's petition will not be heard until security for costs has been given and a *primâ facie* case for winding-up established. Where a society is being wound up voluntarily or under supervision, the official receiver may petition, but the order is not to be made unless the Court is satisfied that the voluntary winding-up or winding-up subject to supervision cannot be continued with due regard to the interests of the creditors or contributories: Companies Act, 1908, s. 137 (2). An existing voluntary winding-up will not bar the right of a creditor or contributory to have a compulsory winding-up, if the Court is of opinion that the rights of a creditor will be prejudiced by an existing voluntary winding-up: *Ib.* s. 197.

The Court is not bound to make a compulsory winding-up order, it may continue a voluntary winding-up under supervision: *Re Friendly Protestant Partnership Loan Fund Co.*, (1895) 1 I. R. 1, 5; and will refuse to interfere with a voluntary liquidation where the assets of the society are small and easily realized, and there is no question of difficulty to be investigated, and the majority of the creditors support the voluntary liquidation: *Re Belfast Tailors' Co-partnership,* (1909) 1 I. R. 49.

A society solvent as regards outside creditors could only continue business by suspending the right to withdraw share capital, which the rules empowered the committee to do for a limited time, and they had done for nearly two years prior to the presentation of a winding-up petition by shareholders who had given notice to withdraw, and it was held that it not having been proved impossible to carry on the business of the society, it was not just and equitable that the society should be wound up: *Re Horsham Industrial and Provident Society* (1894), 70 L. T. 801.

Recording of winding-up order.

When an order has been made for winding up a society, a copy of such order must forthwith be forwarded by the society to the registrar, who must make a minute thereof in his books relating to the society: Cos. (Cons.) A., 1908, s. 143.

For the liability of members in a winding-up, see s. 60 (p. 437).

Pending winding-up, the liquidator must make periodical returns to the registrar as in a voluntary winding-up, and is subject to like penalties for default (*post,* p. 436).

Dissolution in compulsory winding-up.

When the affairs of the society have been completely wound up, and the certificate required by the P. S. A., 1913, s. 8 (p. 468) has been lodged with the registrar, the Court must make an

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order that the society be dissolved from the date of such order, and the society is dissolved accordingly. The order so made must be reported by the liquidator to the registrar, who must make in his books a minute of the dissolution of the society. For not reporting the liquidator is liable to a fine not exceeding 5*l.* for every day during which he is in default: Cos. (Cons.) A., 1908, s. 172. Where no order for dissolution is made, the liquidator should send to the registrar a copy of the order discharging the liquidator, and where the liquidator is released, a copy of the order for release made by the Board of Trade should be sent by him to the registrar.

Voluntary winding-up.

The resolution for winding-up may be (1) a special resolution requiring the society to be wound up voluntarily; (2) an extraordinary resolution, to the effect that the society cannot by reason of its liabilities continue its business and that it is advisable to wind up; or (3) or an ordinary resolution passed when the period (if any) fixed for the duration of the society by its rules has expired, or the event (if any) has occurred, on the occurrence of which the rules provide that the society is to be dissolved: see Cos. (Cons.) A., 1908, s. 182. The first method can be employed at any time, the second is the best and speediest if the society is insolvent, and the third is but rarely available. A special or extraordinary resolution must be passed as directed by the Cos. (Cons.) A., 1908, s. 69. The definition of the former differs slightly from the definition given in this Act of special resolutions to be passed by societies for the purposes of this Act.

Commencement of winding-up.

A voluntary winding-up is deemed to commence from the time of passing the resolution: *Ib.* s. 183; and the society must thereafter cease to carry on its business except so far as may be required for the beneficial winding-up thereof, but the corporate state and powers of the society continue till it is dissolved: *Ib.* s. 184. A transfer of shares or alteration of the status of its members made after the commencement of the winding-up is void: *Ib.* s. 205.

Registry of special and extraordinary resolutions.

A printed copy of a resolution for winding-up must within fifteen days from the confirmation of the special resolution or from the passing of the extraordinary resolution be forwarded to the registrar, and in default of so doing the society is liable to a fine not exceeding 2*l.* for every day during which the default continues, and every director and manager of the society who knowingly or wilfully authorises or permits such default is liable to a like fine: Cos. (Cons.) A., 1908, s. 70. Notice must

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be given to the registrar by the liquidator of his appointment within twenty-one days after his appointment under a penalty of 5*l.* per day during default: *Ib.* s. 187; where the society is being wound up in England, if the winding-up is not concluded within a year, the liquidator must send to the registrar a statement with respect to the proceedings in and position of the liquidation covering the period from his appointment to the end of twelve months from the commencement of the winding-up, and similar statements half-yearly till the winding-up is concluded: such statements must be sent within thirty days from the expiration of the period they cover under a penalty of 50*l.* per day during default: Cos. (Cons.) A., 1908, s. 224.

Conclusion of voluntary winding-up.

As soon as the affairs of the society are fully wound up the liquidator must make up an account of the winding-up and call a general meeting of the society for the purpose of laying before it the account and giving an explanation thereof. The meeting is to be called by advertisement in the Gazette, specifying the time, place and object thereof, and published one month at least before the meeting. Within a week after the meeting the liquidator must make a return to the registrar of the holding of the meeting and of its date, and in default of so doing is liable to a fine not exceeding 5*l.* for every day during which the default continues: Cos. (Cons.) A., 1908, s. 195. A certificate by the liquidator or the secretary or some other officer of the society approved by the registrar must be lodged with the registrar that all property vested in the society has been duly conveyed or transferred to the persons entitled: I. & P. A., 1913, s. 8 (p. 468). As to the disposal of the books and papers of the society, see Cos. (Cons.) A., 1908, s. 222. The return is registered, and on the expiration of three months from the date of the registration of the return the society is to be deemed dissolved: Cos. (Cons.) A., 1908, s. 195. But the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution is to take effect for such time as the Court thinks fit: Cos. (Cons.) A., 1908, s. 195, or may within two years from the date of dissolution declare the dissolution void upon such terms as the Court shall think fit: *Ib.* s. 223. In either case the applicant must within seven days file with the registrar an office copy of the order under penalty of 5*l.* per day during default: *Ib.* ss. 195 (5), 223.

Winding-up under supervision.

When a voluntary winding-up has commenced, the Court may order it shall continue, but subject to the supervision of the

Court: Cos. (Cns.) A., 1908, ss. 199—204. In such case the same documents have to be sent to the registrar as in an ordinary voluntary winding-up.

Where a society framed rules for carrying on a separate business but omitted to register them, it was held that the assets of such business could not be dealt with in a winding-up, but must be administered in the Chancery Division: *Re Londonderry Equitable Co-operative Society*, (1910) 1 I. R. 69.

The provisions regulating the winding-up of a society by an instrument of dissolution are contained in s. 61 (p. 439). Dissolution by instrument.

59. Any proceedings in the winding up of a registered society which at the passing of this Act are pending in any county court may, on application made by or on behalf of the registrar, with the consent of the Treasury, be transferred to the High Court, and thereupon the Companies (Winding-up) Act, 1890, shall, so far as applicable, apply thereto accordingly. Transfer of winding-up from county court. 53 & 54 Vict. c. 63.

Unless an application is made by or on behalf of the registrar for a transfer, the winding-up remains with the county court, and can be dealt with accordingly under s. 58: *Re Ferndale Industrial Co-operative Society*, (1894) 1 Q. B. 828.

60. Where a registered society is wound up in pursuance of an order or resolution the liability of a present or past member of the society to contribute for payment of the debts and liabilities of the society, the expenses of winding up, and the adjustment of the rights of contributories amongst themselves, shall be qualified as follows:— Liability of members in winding-up.

(a) No individual, society, or company, who or which has ceased to be a member for one year or upwards prior to the commencement of the winding up, shall be liable to contribute;

(b) No individual, society, or company shall be liable to contribute in respect of any debt or liability contracted after he or it ceased to be a member;

(c) No individual, society, or company, not a member, shall be liable to contribute, unless it appears

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to the court that the contributions of the existing members are insufficient to satisfy the just demands on the society;

(d) No contribution shall be required from any individual, society, or company exceeding the amount, if any, unpaid on the shares in respect of which he or it is liable as a past or present member;

(e) An individual, society, or company shall be taken to have ceased to be a member, in respect of any withdrawable share withdrawn, from the date of the notice or application for withdrawal.

Contributories.

A winding-up by the Court commences at the time of the presentation of the petition for winding-up: Cos. (Cons.) A., 1908, s. 139; a voluntary winding-up at the time of the passing of the resolution authorising such winding-up: *Ib.* s. 183. The register of members or shares is *primâ facie* evidence who are the contributories (s. 34, p. 406), but it is not conclusive. The liability of any person to contribute is in the nature of a specialty debt: s. 22 (p. 395).

Where a society formed with unlimited liability under the Industrial and Provident Societies Act, 1852, was registered under the Industrial and Provident Societies Act, 1862, for the purpose of being wound up, a person who had held fully-paid shares in the society prior to the registration was not a contributory, notwithstanding there were debts contracted prior to the registration: *Fountain's Case* (1865), 34 L. J. Ch. 593.

The rules of a society provided that the capital should be raised by *5l.* shares, that the subscription should be not less than *2s. 6d.* per share per month, but that a member should not be bound to pay any subscription after the first unless required, and that a member might withdraw all or any part of his subscriptions. Some members had paid up their shares in full and then withdrawn part of the subscriptions, and in some cases had afterwards paid up a part of the subscriptions so withdrawn. Other members had died, having at the date of their death some subscriptions to their credit in respect of the shares, and their executors had not withdrawn the whole; and some members who had subscribed for one share only in order to obtain an advance had paid the

first subscription only, and had repaid the whole of the advance, but had not withdrawn their shares or obtained repayment of the subscription: it was held that so long as a member left any subscription standing to his credit he was liable to pay on calls made either by the directors or in a winding-up, the difference between the amount standing to his credit and the nominal amount of his shares, and that this liability was not diminished by the subscriptions which had been paid up and then withdrawn or terminated by his death, and that advanced members were liable in like manner notwithstanding the advances had been repaid: *Re United Service Share Purchase Society,* (1909) 2 Ch. 526. This section limits the liability of members as regards contribution for payment of debts and expenses in a winding-up to the amount unpaid on the shares held by them, but it does not render invalid an agreement in the rules to take up extra shares in certain events: *Agricultural Wholesale Society* v. *Biddulph and District Agricultural Society,* (1925) 1 Ch. 769.

Provisions as to instrument of dissolution.

61. Where a society is terminated by an instrument of dissolution:—

(a) The instrument of dissolution shall set forth the liabilities and assets of the society in detail, the number of members and the nature of their interests in the society respectively, the claims of creditors (if any) and the provisions to be made for their payment, and the intended appropriation or division of the funds and property of the society, unless the same be stated in the instrument of dissolution to be left to the award of the chief registrar;

(b) Alterations in the instrument of dissolution may be made with the like consents as herein-before provided, and testified in the same manner;

(c) A statutory declaration shall be made by three members and the secretary of the society that the provisions of this Act have been complied with, and shall be sent to the registrar with the instrument of dissolution; and any person

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knowingly making a false or fraudulent declaration in the matter shall be guilty of a misdemeanor;

(d) The instrument of dissolution and all alterations therein shall be registered in the manner herein provided for the registry of rules, and shall be binding upon all the members of the society;

(e) The registrar shall cause a notice of the dissolution to be advertised at the expense of the society in the Gazette and in some newspaper circulating in or about the locality in which the registered office of the society is situated; and unless, within three months from the date of the Gazette in which such advertisement appears, a member or other person interested in or having any claim on the funds of the society commences proceedings to set aside the dissolution of the society in the county court of the district where the registered office of the society is situate, and such dissolution is set aside accordingly, the society shall be legally dissolved from the date of such advertisement, and the requisite consents to the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto.

(f) Notice shall be sent to the central office of any proceeding to set aside the dissolution of a society, not less than seven days before it is commenced, by the person by whom it is taken, or of any order setting it aside, within seven days after it is made by the society.

An instrument of dissolution is appropriate only where the number of members is not very large and the assets are capable of realization and disposal within three months after the appearance of the advertisement in the "Gazette." In other cases resort should be had to the procedure under s. 58 (a). An instrument of dissolution does not, like a winding-up order, stop

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the working of the society as a going concern, or stay pending proceedings by or against the society, and the rules remain in force until actual dissolution, except so far as inconsistent with the dissolution itself.

Effect of instrument.

The property of a society dissolved by instrument is subject to a trust for appropriation and division (after providing for the claims of creditors), in accordance either with the provisions of the instrument or with the award of the chief registrar, and so where dissolution took place before the society had handed over some of its property to the person nominated by the instrument of dissolution to realise its assets, the Court (the Crown not claiming the property as *bona vacantia*) appointed him a trustee in place of the society, and made an order vesting the property in him on the trusts applicable thereto under the instrument: *Re Ruddington Land,* (1909) 1 Ch. 701.

Registration of instrument.

Every instrument of dissolution shall be in Form AH. (p. 563), and shall be signed *in duplicate* and accompanied by a statutory declaration in Form AI. (p. 563), and by a statement naming some newspaper circulating in or about the locality in which the registered office of the society is situated, wherein it is desired that notice of the dissolution shall be published, and by the sum requisite to defray the expenses of such publication, and by the further sum of * for the like publication in the "Gazette": P. S. R. 38. The further sum (theretofore 5*s.* 6*d.*) is increased as from 10th June, 1921, to 8*s.* 3*d.* for the London Gazette, and as from 27th June, 1921, to 7*s.* 6*d.* for the Edinburgh Gazette: S. R. O., 1921, Nos. 1066, 1100. The registrar shall return one of the duplicates to the society, with an acknowledgment of registry in Form AK. (p. 563): *Ib.* 39. Alterations in the instrument of dissolution shall be signed, declared to, and registered in like manner: *Ib.* 40. Besides the cost of the advertisement in the Gazette and in the local newspaper, there is a fee of 1*l.* for the registry of an instrument of dissolution (p. 448).

* *Sic.*

The advertisement of dissolution by instrument shall be in Form AL. (p. 564): P. S. R. 41. Every award of the chief registrar for distribution of funds shall be in Form AP. (p. 564): *Ib.* 42. For the fees for an award of a registrar for the appropriation or division of the funds, see p. 448.

Clause (e) appears to be modified by the P. S. A., 1913, s. 8, which provides that the society shall not be dissolved, and its registration shall not be cancelled until the certificate, by the secretary or other officer of the society, required by s. 8, has been lodged with the registrar (see p. 468).

Ss. 61, 62.

Setting aside dissolution.

The notice of a proceeding to set aside a dissolution shall be in Form AY. (p. 564), and the notice of an order setting aside a dissolution in Form AZ. (p. 564): P. S. R. 43. Where such notice relates to a society which is registered, and does business exclusively in Scotland or Ireland, it shall be sent to the central office through the assistant registrar for Scotland or Ireland, as the case may be. In all other cases where a society is registered, or does business in Scotland or Ireland, the central office shall forthwith apprise the assistant registrar for Scotland or Ireland, as the case may be, of the receipt of the same: *Ib.*

Proceedings in the county court to set aside the dissolution of a society must be commenced by plaint and summons in the ordinary way in which the person seeking to set aside such dissolution shall be plaintiff and the society shall be defendant. Particulars of demand must be filed in such proceedings, stating concisely the relief or order which the plaintiff claims: C. C. R. Ord. XLI. r. 11.

Cf. F. S. A., s. 79, and see notes to that section (pp. 191—196).

Offences, Penalties, and Legal Proceedings.

Offences by societies.

62. It shall be an offence under this Act if—

(a) a registered society, or an officer or member thereof, or any other person, fails to give any notice, send any return or document, do or allow to be done anything which the society, officer, or member, or person is by this Act required to give, send, do, or allow to be done; or

(b) a registered society, or an officer or member thereof, or any other person, wilfully neglects or refuses to do any act, or to furnish any information required for the purposes of this Act by the chief or other registrar, or by any other person authorised under this Act, or does anything forbidden by this Act; or

(c) a registered society, or an officer or member thereof, or any other person, makes a return, or wilfully furnishes information in any respect false or insufficient; or

(d) a registered society carries on the business of bank-

ing when it has any withdrawable share capital, or in carrying on such business does not make out and keep conspicuously hung up such statement as is herein-before required, or makes any payment of withdrawable capital contrary to the provisions of this Act.

The foregoing provision was substituted for the original s. 62 by the P. S. A., 1913, s. 10.

These new provisions make officers and members of a society and other persons liable for offences for which previously the society only was liable.

For the penalties for the offences mentioned in this section, see s. 68 (p. 445).

For the restrictions and requirements upon such societies as carry on a banking business, see s. 19 (p. 392).

Offences in libraries.

The Libraries Offences Act, 1898 (61 & 62 Vict. c. 53), applies to any library or reading-room maintained by a society registered under this Act; but the Act does not extend to Scotland or Ireland.

Anything which would be an offence under the Veterinary Surgeons Act, 1881 (44 & 45 Vict. c. 62), if committed by an individual, shall be an offence if committed by a society registered under the Industrial and Provident Societies Acts, 1893 to 1913: Veterinary Surgeons Act (1881) Amendment Act, 1920 (10 & 11 Geo. 5, c. 20), s. 4.

Offences by societies to be also offences by officers, &c.

63. Every offence by a society under this Act shall be deemed to have been also committed by every officer of the same bound by the rules thereof to fulfil the duty whereof such offence is a breach, or, if there be no such officer, then by every member of the committee of the same, unless such member be proved to have been ignorant of or to have attempted to prevent the commission of such offence; and every act or default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the same continues.

Cf. F. S. A., s. 85 (p. 203). Having regard to this section it is desirable that the rules should specifically provide for the performance of all statutory duties by some particular officer or officers.

Ss. 64—66.

Punishment of fraud or misappropriation.

64. If any person obtains possession by false representation or imposition of any property of a society, or having the same in his possession withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the society and authorised by this Act, he shall, on the complaint of the society, or of any member authorised by the society, or the committee thereof, or by the central office, or of the chief registrar or any assistant registrar by his authority, be liable on summary conviction to a fine not exceeding twenty pounds with costs, and to be ordered to deliver up all such property or to repay all moneys applied improperly, and, in default of such delivery or repayment, or of the payment of such fine, to be imprisoned, with or without hard labour, for any time not exceeding three months; but nothing in this section shall prevent any such person from being proceeded against by way of indictment, if not previously convicted of the same offence under this Act.

See notes to F. S. A., s. 87 (3) (pp. 206—209).

Penalty for falsification.

65. If any person wilfully makes, orders, or allows to be made any entry or erasure in, or omission from, any balance sheet of a registered society, or any contribution or collecting book, or any return or document required to be sent, produced, or delivered for the purposes of this Act, with intent to falsify the same, or to evade any of the provisions of this Act, he shall be liable to a fine not exceeding fifty pounds.

Cf. F. S. A., s. 88 (p. 210).

Penalty for not using name of society.

66. If any officer of a registered society, or any person on its behalf, uses any seal purporting to be a seal of the society, whereon its name is not so engraved as aforesaid, or issues or authorises the issue of any notice, advertisement, or other official publication of the society, or signs or authorises to be signed on behalf of the society

any bill of exchange, promissory note, endorsement, cheque, order for money or goods, or issues or authorises to be issued any bills of parcels, invoice, receipt, or letters of credit of the society, wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding fifty pounds, and shall further be personally liable to the holder of any such bill of exchange, promissory note, cheque, or order for money or goods for the amount thereof unless the same is duly paid by the society.

Use of wrong name.

For the provisions referred to, see s. 12. This section is similar to s. 63 (3) of the Cos. (Cons.) A., 1908. Directors of a company have been held personally liable on a bill addressed to the "Salt Water Baths Co., Ltd., South Shields," which was accepted on behalf of a company registered as the "South Shields Salt Water Baths Co., Ltd.," in the name of the "South Shields Salt Water Baths Co.": *Atkin* v. *Wardle* (1889), 58 L. J. Q. B. 377; and on a bill accepted on behalf of a company registered as "The Bastille Syndicate, Ltd.," in the name of "The Old Paris and Bastille Syndicate, Ltd.": *Nassau Steam Press* v. *Tyler* (1894), 70 L. T. 376.

Delivery of untrue rules.

67. It shall be an offence under this Act if any person, with intent to mislead or defraud, gives to any other person a copy of any rules, other than the rules for the time being registered under this Act, on the pretence that the same are existing rules of a registered society, or that there are no other rules of such society, or gives to any person a copy of any rules on the pretence that such rules are the rules of a registered society when the society is not registered.

Cf. F. S. A., s. 87 (1) (p. 204); but under this Act the delivery of untrue rules can be prosecuted in a court of summary jurisdiction: see ss. 68, 69. The obligation to deliver copies of the rules is imposed by s. 10 (4).

Penalties for ordinary offences.

68. Every society, officer or member of a society, or other person, guilty of an offence under this Act for

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which no penalty is expressly provided herein, shall be liable to a fine not exceeding five pounds.

Cf. F. S. A., s. 89, p. 211.

Recovery of penalties.

69.—(1.) Every fine imposed or to be imposed by this Act, or by any regulations under this Act, or by the rules of a registered society, shall be recoverable summarily.

(2.) Any such fine, if imposed by this Act or by any regulations thereunder, shall be recoverable at the suit of the chief registrar, or of any assistant registrar, or of any person aggrieved, and, if imposed by the rules of a registered society, shall be recoverable at the suit of the society.

(3.) Any costs or expenses ordered or directed by the chief or other registrar to be paid by any person under this Act shall be recoverable summarily before a court of summary jurisdiction as a civil debt.

(4.) Where proceedings are taken against a society for the recovery of any fine under this Act, the summons or other process shall be sufficiently served by leaving a true copy thereof at the registered office of the society, or, if that office is closed, by posting the copy on the outer door of that office.

Sub-sects. 3 and 4 were added by the P. S. A., 1913, s. 11 (p. 468).

This section indicates that the fines are to be recovered in manner provided by the Summary Jurisdiction Acts, and the Summary Jurisdiction Acts apply accordingly: 42 & 43 Vict. c. 49, s. 51. See note to F. S. A., s. 91, p. 212.

Appeals from summary decisions.

70.—(1.) In England or Ireland any party may appeal to quarter sessions from any order or conviction made by a court of summary jurisdiction under this Act.

(2.) In Scotland any person may appeal from any order or conviction under this Act in accordance with the provisions of the Summary Jurisdiction (Scotland) Acts.

See note, F. S. A., s. 93 (pp. 214, 215).

Supplemental.

Remuneration of county court officers.

71. The registrar and high bailiffs of the county courts shall be remunerated for the duties to be performed by them under this Act in such manner as the Treasury, with the consent of the Lord Chancellor, from time to time order and direct.

Cf. F. S. A., s. 95 (p. 219).

Public auditors.

72. The Treasury may appoint public auditors for the purposes of this Act, and may determine the rates of remuneration to be paid by registered societies for the services of such auditors, *but the employment of such auditors shall not be compulsory.*

The words in italics were repealed by the P. S. A., 1913.

Cf. F. S. A., s. 30 (p. 76). For the rates of remuneration, see p. 494.

Fees.

73.—(1.) The Treasury may determine a scale of fees to be paid for matters to be transacted or for the inspection of documents under this Act.

The following fees shall be payable in advance under the Act:—

	£	*s.*	*d.*
For the acknowledgment of registry of a society (reducible as mentioned below)	10	0	0
For the acknowledgment of registry of a complete amendment of rules of a society (reducible as mentioned below)	4	0	0
For the acknowledgment of registry of a partial amendment of rules of a society	2	0	0

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	£	s.	d.
For the registry of a special resolution (to include, in the case of a change of name, the approval of the same)	1	0	0
For a direction to transfer stock	2	0	0
For the appointment of an inspector, or calling of a special meeting by a registrar	5	0	0
For registry of an instrument of dissolution or alteration therein	1	0	0
For the determination of a registrar on a dispute, where the matter is settled without an oral hearing or upon one such hearing without adjournment	5	0	0
And if more than one such hearing or adjournment become necessary, then for every such hearing after the first and for every adjournment	2	0	0
For an award of a registrar for the appropriation or division of the funds, property or assets of a society:—			
(*a*) Where the funds, property, or assets appropriated or divided do not exceed 200*l.*	2	0	0
(*b*) Where the funds, property, or assets appropriated or divided exceed 200*l.*:—			
For the first 200*l.*	2	0	0
For every additional 100*l.* or part of 100*l.*	0	10	0
For every document (except as otherwise provided) required to be signed by a registrar, or to bear the seal of the central office, not chargeable with any other fee to the registrar	0	5	0
For every inspection of the same day of documents (whether one or more) in the custody of the registrar relating to one and the same society	0	2	6
For a copy or extract of any document in the custody of the registrar not exceeding 216 words, 1*s.* 6*d.*, and if exceeding that number, 6*d.* per folio of 72 words (in addition to the fee, if any, for the signature of a registrar or seal of the central office).			

£ s. d. **S. 73.**

For a document certified as a true copy of a document in the custody of the registrar, when the copy so certified is not made by the registrar and does not exceed 216 words, 9*d.* for the examination of such copy, and for every additional folio of 72 words, 3*d.* (in addition to the fee for the signature of a registrar, or seal of the central office). Provided that the fees to be charged for the examination and authentication of copies of rules or amendments of rules for recording in another country shall not be greater in respect of each country in which they are to be recorded than the fees paid, for acknowledgment of registry of the society or of the amendment of rules as the case may be.

No fee is payable for:

The cancelling or suspention of registry of a society.

The registry of any notice of change of office.

Any document or copy of a document supplied to a public department.

The chief registrar may, at his discretion, reduce the fee payable for the acknowledgment of registry of a society to not less than 3*l.* in the case of any society or class of societies from time to time to be determined by him, whose objects or rules or other special circumstances, in his opinion, entitle such society or societies to such reduction and in like circumstances may reduce the fee payable for the acknowledgment of registry of a complete amendment of rules to not less than 2*l.*

The chief registrar may also dispense with the fee for inspection of documents in cases where he may consider it for the public interest to do so, and may, in exceptional cases, reduce or dispense with the fee for the determination on a dispute, or registry of an instrument of dissolution or alteration therein.

(2.) All fees received by any registrar under or by virtue of this Act shall be paid into the Exchequer.

Regulations 72, 73 and 74 of the Treasury Regulations, 1888, under the Friendly Societies Acts, with Form AV. attached

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thereto, shall apply to the payment by assistant registrars for Scotland and Ireland of fees received by them by virtue of the Act or of these regulations: P. S. R. 45. The regulations referred to are the same as the present Regulation 2, for which see p. 222.

Regulations for carrying out Act.

74.—(1.) The Treasury may make regulations respecting registry and procedure under this Act, and the forms to be used for such registry, and the duties and functions of the registrar, and the inspection of documents kept by the registrar under this Act, and generally for carrying this Act into effect.

(2.) All such regulations shall be laid before both Houses of Parliament within ten days after the making thereof if Parliament is then sitting, or, if not then sitting, then within ten days from the then next assembling of Parliament.

(3.) Until otherwise provided by such regulations, the forms contained in the Fourth Schedule to this Act shall be used.

The Treasury regulations in force are those of January 1st, 1894, being the principal regulations; March 18th, 1914, prescribing new forms A. and D.; June 10th and 27th, 1921, as to fees for advertisements in the Gazette; and July 26th, 1923, being the Amendment of Fees Regulation, 1923.

The forms annexed to the Treasury regulations may be modified to suit particular cases by the authority of the chief registrar: P. S. R. 46. The chief registrar may dispense with the obligation to supply a duplicate of any document, where such obligation is imposed only by the regulations: P. S. R. 47.

Evidence of documents.

75. Every copy of rules or other instrument or document, copy or extract of an instrument or document, bearing the seal or stamp of the central office, shall be received in evidence without further proof; and every document purporting to be signed by the chief or any assistant registrar, or any inspector or public auditor under this Act, shall, in the absence of any evidence to

the contrary, be received in evidence without proof of the signature.

See note to F. S. A., s. 100 (p. 225). As to the cost of obtaining signed or sealed copies of documents, see note to s. 73 (1).

Duties of the registrars. 38 & 39 Vict. c. 60.

76. Sub-sections six, seven, eight, and nine of section ten of the Friendly Societies Act, 1875, relating to the duties of the chief registrar and assistant registrars, shall, so far as the same are applicable to industrial and provident societies, be incorporated with this Act.

The sub-sections referred to are now contained in ss. 3, 4 and 6 of the F. S. A., see pp. 15—18.

Application of Act to Channel Islands.

77. With respect to the Channel Islands this Act shall be varied as follows:—

(1.) As respects the island of Jersey, the following provisions shall have effect:—

(a) The term "county court" shall mean the court for the recovery of petty debts in all cases in which the claim or demand shall not exceed the sum of ten pounds sterling, and in all other cases the inferior number of the Royal Court of the said island, composed of the bailiff and two jurats of the said court;

(b) The term "court of summary jurisdiction" shall have in civil cases the same meaning as the term "county court";

(c) All misdemeanors under this Act shall be prosecuted, tried, and punished in the form and manner prescribed by the law and custom of the said island with respect to crimes and offences (*crimes et délits*);

(d) All other offences and all penalties under this Act shall be prosecuted and recovered sum-

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marily before the magistrate of the court for the repression of minor offences, in all cases of his competency, at the suit or instance of the bailiff of the parish in which the offence or other unlawful act shall have been committed, and in all other cases before the bailiff and two jurats of the Royal Court, at the suit or instance of Her Majesty's Procurator-General for the said island;

(e) All penalties recovered under this Act shall be paid to the officers who by the law and practice of the said island are entitled to receive fines levied by order of the said courts respectively, and shall by such officers be accounted for and paid to Her Majesty's Receiver-General in the said island on behalf of the Crown;

(f) The powers conferred under this Act on two justices shall be exercised by the inferior number of the Royal Court of the said island;

(g) All proceedings under this Act in any of the courts of the said island shall be regulated according to the ordinary practice of such courts respectively, and all penalties shall in default of payment be enforced in the same manner as fines payable to the Crown in the said island;

(h) The rules prescribed by the law of the said island with respect to appeals in civil and criminal cases shall be followed as to appeals from any orders, judgments or convictions made in cases of summary jurisdiction under this Act;

(i) The term "the Companies Acts" shall mean the law for the time being in force in the said island for the regulation and winding up of companies.

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(2.) As respects the bailiwick of the island of Guernsey:—

(a) The Court of Primary Instance within the bailiwick shall have all such powers and authorities as are by this Act conferred either on justices of the peace or on judges of county courts in England: Provided that a sentence may be appealed from if the case admits of an appeal, under the Orders in Council now in force within the bailiwick, but that the decision of the Royal Court when sitting in a body as a court of appeal shall be final;

(b) When any sum of money becomes payable on the death of a member, such money shall, in default of any direction or nomination such as is contemplated by this Act, be paid to the deceased member's legal representative, according to the law of Guernsey;

(c) All industrial and provident societies within the bailiwick shall be authorised to invest any part of their funds in the States bonds either of Guernsey or Alderney;

(d) The term "the Companies Acts" shall mean the law for the time being in force in the said bailiwick for the regulation and winding up of companies;

(e) All offences and penalties under this Act shall be prosecuted and recovered summarily before the court of primary jurisdiction at the suit or instance of the law officers of the Crown, or of a constable of a parish;

(f) All penalties recovered under this Act shall be paid to the Receiver-General, to be by him carried to the account of the Crown revenue.

In sub-s. 1, in sub-head (d), the word bailiff must be read as constable, and a further sub-head is added by the Industrial and

Ss. 77—79.

Provident Societies Act, 1894, which Act, by s. 3, enlarges the powers of investment of societies within the Island of Jersey, (see p. 462).

Having regard to s. 78, sub-s. 2 (b) of this section appears superfluous.

Payment to representatives of deceased members in the Channel Islands.

78. In the Channel Islands, when any sum of money becomes payable on the death of a person entitled to make a nomination under this Act, such sum shall, in default of any nomination, be paid to the deceased member's legal representative according to the law of the island in which such deceased member was domiciled.

Cf. F. S. A., s. 105 (p. 231).

Definitions.

79. In this Act, if not inconsistent with the context, the following terms shall have the meanings herein-after respectively assigned to them:—

"The registrar" shall mean, for England, the central office established by the Friendly Societies Act, 1875, and, for Scotland or Ireland, the assistant registrar of friendly societies for either country respectively; "the central office" shall mean the central office so established; and "chief registrar" and "assistant registrar" shall mean chief registrar and assistant registrar of friendly societies respectively;

"Land" shall include hereditaments and chattels real, and in Scotland heritable subjects, of whatever description;

"Property" shall include all real and personal estate (including books and papers);

"Registered society" shall mean a society registered or deemed to be registered under this Act;

"Amendment of rule" shall include a new rule, and a resolution rescinding a rule;

"Rules" shall mean the registered rules for the time being, and shall include any registered amendment of rules;

"The committee" shall mean the committee of management or other directing body of a society;

"Persons claiming through a member" shall include the heirs, executors, or administrators, and assigns of a member, and also his nominees where nomination is allowed;

"Officer" shall extend to any treasurer, secretary, member of the committee, manager, or servant, other than a servant appointed by the committee, of a society;

"Meeting" shall include (where the rules of a society so allow) a meeting of delegates appointed by members;

"Office" shall mean the registered office for the time being of a society;

"County court" shall mean, for Scotland, the sheriff court of the county, and, for Scotland, "probate or letters of administration" shall mean confirmation in cases of testate succession, and testament dative in cases of intestate succession;

"Gazette" shall mean the London Gazette for England, the Edinburgh Gazette for Scotland, and the Dublin Gazette for Ireland.

See notes to F. S. A., s. 106 (pp. 232—234).

80. *The enactments specified in the First Schedule hereto are hereby repealed to the extent appearing in the third column of that schedule.* Repeal.

(Repealed by the Statute Law Revision Act, 1908.)

Schs. I., II.

Section 80.

SCHEDULE I.

ENACTMENTS REPEALED.

Session and Chapter.	*Short Title.*	*Extent of Repeal.*
39 & 40 Vict. c. 45.	*The Industrial and Provident Societies Act, 1876.*	*The whole Act.*
43 Vict. c. 14.	*The Customs and Inland Revenue Act, 1880.*	*Section 8.*
46 & 47 Vict. c. 47.	*The Provident Nominations and Small Intestacies Act, 1883.*	*So much as relates to industrial and provident societies.*

(This schedule was repealed by the Statute Law Revision Act, 1908.)

Section 10.

SCHEDULE II.

MATTERS TO BE PROVIDED FOR BY THE RULES OF SOCIETIES REGISTERED UNDER THIS ACT.

1. Object, name, and registered office of the society.

2. Terms of admission of the members, including any society or company investing funds in the society under the provisions of this Act.

3. Mode of holding meetings, scale and right of voting, and of making, altering, or rescinding rules.

4. The appointment and removal of a committee of management, by whatever name, of managers or other officers, and their respective powers and remuneration.

5. Determination of the amount of interest, not exceeding two hundred pounds sterling, in the shares of the society which any member other than a registered society may hold.

6. Determination whether the society may contract loans or receive money on deposit subject to the provisions of this Act from members or others; and, if so, under what conditions, on what security, and to what limits of amount.

7. Determination whether the shares or any of them shall be transferable; and provision for the form of transfer and registration of the shares, and for the consent of the committee thereto; determination whether the shares or any of them shall be withdrawable, and provision for the mode of withdrawal and for payment of the balance due thereon on withdrawing from the society.

8. Provision for the audit of accounts and for the appointment of auditors or a public auditor.

9. Determination whether and how members may withdraw from the society, and provision for the claims of the representatives of deceased members, or the trustees of the property of bankrupt members, and for the payment of nominees.

10. Mode of application of profits.

11. Provisions for the custody and use of the seal of the society.

12. Determination whether, and by what authority, and in what manner, any part of the capital may be invested.

SCHEDULE III.

Sections 19, 43, 44, 47.

FORM OF STATEMENT TO BE MADE OUT BY A SOCIETY CARRYING ON THE BUSINESS OF BANKING.

1. Capital of the society:—
   - (a) Nominal amount of each share;
   - (b) Number of shares issued;
   - (c) Amount paid up on shares.

2. Liabilities of the society on the first day of January (or July) last previous:
   - (a) On judgments;
   - (b) On specialty;
   - (c) On notes or bills;
   - (d) On simple contract;
   - (e) On estimated liabilities.

3. Assets of the society on the same date:—
   - (a) Government, or other securities (stating them);
   - (b) Bills of exchange and promissory notes;
   - (c) Cash at the bankers;
   - (d) Other securities.

Sch. III.

FORMS OF BOND.

(1.) *In England or Ireland.*

(a) Know all men by these presents, that we, A.B., of , one of the officers of the , Limited, herein-after referred to as "the society," whose registered office is at , in the county of , and C.D., of (as surety on behalf of the said A.B.), are jointly and severally held and firmly bound to the said society in the sum of , to be paid to the said society, or their certain attorney, for which payment well and truly to be made we jointly and severally bind ourselves, and each of us by himself, our and each of our heirs, executors, and administrators, firmly by these presents. Sealed with our seals. Dated the day of .

Whereas the above-bounden A.B. has been duly appointed to the office of of the society, and he, together with the above-bounden C.D. as his surety, have entered into the above-written bond, subject to the condition herein-after contained: Now therefore the condition of the above-written bond is such, that if the said A.B. do render a just and true account of all moneys received and paid by him on account of the society, at such times as the rules thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the society in his hands or custody to such person or persons as the society or the committee thereof appoint, according to the rules of the society, together with the proper and legal receipts or vouchers for such payments, then the above-written bond shall be void, but otherwise shall remain in full force.

Sealed and delivered in the presence of .

(b) *Know all men* by these presents that I , of , in the county of , am firmly bound to , Limited, herein-after referred to as "the society," whose registered office is at , in the county of , in the sum of pounds sterling to be paid to the said society or their assigns, for which payment to be truly made to the said society or their certain attorney or assigns I bind myself, my heirs, executors, and administrators, by these presents sealed with my seal.

[*And know further* that I [we] as surety [sureties] for the above-named principal obligor and such obligor are jointly and severally bound to the society in the sum aforesaid to be paid to the society or their assigns, for which payment to be truly made

to the society or their certain attorney or assigns we firmly bind ourselves and each of us our and each of our heirs, executors, and administrators by these presents sealed with our seals.].

Dated the day of 18 .

The condition of the above-contained bond is that if the said faithfully execute the office of to the society during such time as he continues to hold the same in virtue either of his present appointment, or of any renewal thereof if such office is of a renewable character [without wasting, embezzling, losing, misspending, misapplying, or unlawfully making away with any of the moneys, goods, chattels, wares, merchandise or effects whatsoever of the said society at any time committed to his charge, custody, or keeping by reason or means of his said office], and render a true and full account of all moneys received or paid by him on its behalf as and when he is required by the committee of management of the society for the time being, and pay over all the moneys remaining in his hands from time to time, and assign, transfer, and deliver up all securities, books, papers, property, and effects whatsoever of or belonging to the society in his charge, custody, or keeping, to such person or persons as the said committee may appoint, according to the rules or regulations of the society for the time being, together with the proper or legal receipts or vouchers for such payments; and in all other respects well and faithfully perform and fulfil the said office of to the society according to the rules thereof, then the above-contained bond shall be void and of no effect; but otherwise shall remain in full force.

Sealed and delivered by the above-named

[The words between brackets against which we have set our initials being first struck out*] in the presence of us and .

(2.) *In Scotland.*

I, A.B., of , hereby bind and oblige myself to the extent of £ at most, as cautioner and surety for C.D., a person employed by the society, that he, the said C.D., shall on demand faithfully and truly account for all moneys received and paid to him for behoof of the said society, and also assign and transfer or deliver all property (including books and papers)

* If no words are struck out in the bond or condition, strike out these words and let the witnesses set their initials in the margin.

Sch. III.

belonging to the said society in his hands or custody, and that to such person or persons as the said society or the committee thereof appoint, according to the rules of the said society.

Dated at this day of .

Signature of cautioner.

E.F. *of witness.*
G.H. *of witness.*

The above bond shall not require a testing clause or subscription clause.

FORMS OF RECEIPT TO BE ENDORSED ON MORTGAGE OR FURTHER CHARGE.

(1.) *In England or Ireland.*

A.—The , Limited, hereby acknowledges to have received all moneys intended to be secured by the within (or above) written deed. Dated this day of

Members of the Committee.

Secretary.

(2.) *In Scotland.*

B.—In the case of a heritable security other than by way of an *ex-facie* or other absolute conveyance:—

The , Limited, acknowledges to have received all moneys intended to be secured by the bond and disposition in security, dated the , and recorded on the in the register of Sasines for for the sum of £ granted by A. [insert name and designation] in favour of the said society.

Dated at this day of one thousand eight hundred and ninety .

Members of the Committee.

Secretary.

To be recorded with warrant of registration on behalf of [the person or persons entitled].

C.—In the case of a heritable security in the form of an *ex-facie* or other absolute conveyance or disposition:—

The , Limited, hereby acknowledges that the disposition (or other conveyance), dated the , and recorded the in the register of Sasines for granted by A. [insert designation] (or by B. [insert designation] with consent of A.) in favour of the above-named society, was intended only as a security for a loan of £ granted to A. by the said society, and for the interest, penalties, and others effeiring thereto; and that all moneys intended to be thereby secured have been fully paid.

(To be completed and recorded as in Form B.)

D.—In the case of a security or assurance other than a heritable security:—

The , Limited, hereby acknowledges to have received all moneys intended to be secured by the within (or above) written deed.

(To be completed as in Form B.)

(Receipts in the Forms B., C., or D. shall not require a testing or subscription clause.)

SCHEDULE IV.

Section 74.

Acknowledgment of Registry of Society.

The , Limited, is registered under the Industrial and Provident Societies Act, 189 *, this day of . * *Sic.*

[*Seal or stamp of central office,* or *signature of Assistant Registrar for Scotland or Ireland.*]

Acknowledgment of Registry of Amendment of Rules.

The foregoing amendment of the rules of the , Limited, is registered under the Industrial and Provident Societies Act, 189 *, this day of . * *Sic.*

[*Seal or stamp of central office,* or *signature of Assistant Registrar for Scotland or Ireland.*]

THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1894.

57 Vict. c. 8.

An Act to amend the Industrial and Provident Societies Act, 1893, in so far as it relates to the Island of Jersey.

[18th June, 1894.]

Ss. 1—3. Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Short title.

1. This Act may be cited as the Industrial and Provident Societies Act, 1894, and the Industrial and Provident Societies Act, 1893, and this Act may be cited together as the Industrial and Provident Societies Acts, 1893 and 1894.

Substitution of constable for bailiff. 56 & 57 Vict. c. 39.

2. In sub-head (*d.*) of sub-section (1.) of section seventy-seven of the Industrial and Provident Societies Act, 1893, the words "constable of the parish" shall be substituted for "bailiff of the parish."

Powers of investment.

3. The following shall be added to sub-section (1.) of section seventy-seven of the last-mentioned Act as sub-head (*j.*): All industrial and provident societies within the said island shall be authorised to invest any part of their funds in the "Rentes Publiques" or in the States' Bonds of the said island, if they think fit.

S. 4.

Printing of future copies of principal Act.

4. All copies of the Industrial and Provident Societies Act, 1893, printed after the passing of this Act by any of the several printers to the Queen's most Excellent Majesty duly authorised to print the statutes of the United Kingdom, shall be printed with the substitution and addition required by this Act.

THE INDUSTRIAL AND PROVIDENT SOCIETIES (AMENDMENT) ACT, 1895.

58 & 59 Vict. c. 30.

An Act to amend the Industrial and Provident Societies Act, 1893. [6th July, 1895.]

Ss. 1—3.

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Short title.

1. This Act may be cited as the Industrial and Provident Societies (Amendment) Act, 1895. This Act and the Industrial and Provident Societies Acts, 1893 and 1894, may be cited together as the Industrial and Provident Societies Acts, 1893 to 1895.

Proceedings in Scotland.

2. In all proceedings in winding up a society in Scotland under the Industrial and Provident Societies Act, 1893, the court having jurisdiction shall be the sheriff court.

Appeals.
56 & 57 Vict. c. 39.

3. For sub-section one of section seven of the Industrial and Provident Societies Act, 1893, shall be substituted the following sub-section:—

(1.) If the registrar refuses to register the society, or any rules or amendments of rules, the society may appeal from such refusal as follows:—

(a) in England, to the High Court;

(b) in Scotland or Ireland, to the chief registrar, and if he refuses to the Court of Session in Scotland or to the High Court in Ireland.

S. 4.

Printing of future copies of principal Act.

4. All copies of the Industrial and Provident Societies Act, 1893, printed after the passing of this Act by any of the several printers to the Queen's most Excellent Majesty duly authorised to print the statutes of the United Kingdom, shall be printed with the substitution required by this Act.

INDUSTRIAL AND PROVIDENT SOCIETIES (AMENDMENT) ACT, 1913.

3 & 4 Geo. 5, c. 31.

An Act to amend the Industrial and Provident Societies Act, 1893. [15th August, 1913.]

Ss. 1—3.

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Registration of society consisting of two or more other societies.
56 & 57 Vict. c. 39.

1. A society consisting solely of two or more registered societies may, notwithstanding anything contained in section five of the Industrial and Provident Societies Act, 1893 (in this Act referred to as the principal Act), be registered if the application to register the society is signed by two members of the committee and the secretary of each of the constituent societies, and is accompanied by two printed copies of the rules of each such society.

See note to P. S. A., s. 5 (1), p. 375.

Audit of accounts.

2.—(1.) Every registered society shall once in every year submit its accounts for audit to one or more of the public auditors appointed under the provisions of the principal Act.

(2.) An auditor shall not hold any other office in connexion with the society.

See note to P. S. A., s. 13, p. 388.

Annual return.

3.—(1.) For paragraph (*c*) of subsection (2) of section fourteen of the principal Act (which relates to the date to

which annual returns are to be made up) the following paragraph shall be substituted:—

See p. 388.

(2.) A registered society shall, together with the annual return, send to the Registrar a copy of the report of the auditors and a copy of each balance sheet made during the period included in the return.

See p. 389.

Triennial returns of share-holders.

4. A registered society shall, once at least in every three years, make out and send to the registrar, together with the annual return for the year, a special return signed by the auditor or auditors showing the holding of each person in the society (whether in shares or loans) at the date to which the said annual return is made out: Provided that, where such persons are in the list of members kept by the society distinguished by numbers, it shall be sufficient if they are distinguished in the special return by such numbers, and in that case it shall not be necessary to specify their names.

See p. 389.

Amendment of principal Act as to nominations.

5.—(1.) The principal Act shall as respects nominations made after the commencement of this Act have effect as if the following provisions were substituted for section twenty-five of the principal Act:—

See p. 399.

(2.) The principal Act shall, as respects nominators dying after the commencement of this Act, have effect as if the following provisions were substituted for subsection (1) of section twenty-six of the principal Act:—

See p. 401.

Provisions as to death duties.

6. The principal Act shall have effect with respect to the payment of duty on the death of members dying

Ss. 6—11.

after the commencement of this Act as if the following provisions were substituted for section twenty-eight of the principal Act:—

See p. 402.

Amendment of section 29 of the principal Act.

7. In section twenty-nine of the principal Act (which relates to the property of insane members) the words "not exceeding one hundred pounds" shall be repealed.

See p. 403.

Dissolution and transfer of engagements.

8. On dissolution or transfer of engagements, as provided for in sections fifty-eight and fifty-three of the principal Act, the society shall not be dissolved and registration of the society shall not be cancelled until a certificate signed by the liquidator or by the secretary or some other officer of the society approved by the Registrar has been lodged with the Registrar that all property vested in the society has been duly conveyed or transferred by the society to the persons entitled.

See pp. 427, 432.

Inspections and special meetings.

9. In subsection (4) of section fifty of the principal Act (which relates to the expenses of inspections and special meetings) after the word "incidental" there shall be inserted the words "or preliminary."

See p. 425.

Offences by societies, &c.

10. The following provisions shall be substituted for section sixty-two of the principal Act:—

See p. 442.

Recovery of penalties.

11. The following subsections shall be added to the provisions contained in section sixty-nine of the principal Act:—

See p. 446.

S. 12.

Short title, construction, commencement, and repeal.

12.—(1.) This Act may be cited as the Industrial and Provident Societies (Amendment) Act, 1913, and the Industrial and Provident Societies Acts, 1893 to 1895, and this Act may be cited together as the Industrial and Provident Societies Acts, 1893 to 1913.

(2.) This Act shall be construed as one with the Industrial and Provident Societies Act, 1893, and shall come into operation on the first day of January nineteen hundred and fourteen.

(3.) The principal Act is hereby repealed to the extent specified in the third column of the Schedule to this Act.

SCHEDULE.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
56 & 57 Vict. c. 39.	The Industrial and Provident Societies Act, 1893.	Sub-section (1) of section thirteen. In section fourteen, paragraph (*c*) of sub-section (2), and all the words from "and if by any persons" to the end of the section. Section twenty-five, except as respects nominations made before the commencement of this Act. Section twenty-six. Sub-section (1) of section twenty-seven, from "subject" to the end of the sub-section. Section twenty-eight. In section twenty-nine, the words "not exceeding one hundred pounds." Section sixty-two. In section seventy-two the words "but the employment of such auditors shall not be compulsory."

AGRICULTURAL CREDITS ACT, 1923.

13 & 14 Geo. 5, c. 34.

An Act to facilitate the advance of money and the grant of credit for certain agricultural purposes, and to amend the Improvement of Land Act, 1864, and for purposes connected therewith. [31st July, 1923.]

S. 1.

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Power to Public Works Loan Commissioners to lend money to associations for the purpose of making advances upon certain mortgages. 38 & 39 Vict. c. 89.

1.—(1.) At any time within five years after the passing of this Act, and subject to such conditions as the Treasury may prescribe, and up to an aggregate amount approved by the Treasury, the Public Works Loan Commissioners may, in manner provided by the Public Works Loans Act, 1875, as amended by this section, lend to any approved association such money as the association may require for the purpose of making advances on mortgages to which this section applies (which mortgages are hereinafter referred to as recognised mortgages), and for recouping to such an association any moneys raised by the association before the passing of this Act for the purpose of making advances on the security of mortgages which were at the date of the advance or have since been varied so as to become recognised mortgages, and may make advances direct to borrowers on recognised mortgages, or at any time take a transfer of any recognised mortgage.

(2.) A mortgage shall be deemed to be a recognised mortgage if it complies with the following conditions—

(a) the borrower must be a person who has agreed to purchase the land comprised in the mortgage

not earlier than the fifth day of April, nineteen hundred and seventeen, nor later than the twenty-seventh day of June, nineteen hundred and twenty-one, or the heir, devisee, or personal representative of such a person;

(b) the land comprised in the mortgage must be wholly or mainly agricultural land;

(c) the amount secured by the mortgage must not exceed seventy-five per cent. of the value, as ascertained to the satisfaction of the Commissioners, of the land mortgaged at the date when the advance or transfer is made by or to the Commissioners or exceed an amount equal to thirty times the annual value of the land as ascertained at that date for the purposes of Schedule A of the Income Tax Acts;

(d) the rate of interest payable on the mortgage must not exceed such rate as the Treasury may prescribe;

(e) the amount secured by the mortgage, with interest thereon, must be repayable within a period of sixty years by equal yearly or half-yearly instalments of the principal sum advanced, together with interest on the amount outstanding, or by equal yearly or half-yearly payments of principal and interest combined;

(f) the land comprised in the mortgage must be freehold or copyhold land free from any incumbrance affecting it in priority to the mortgage other than a land improvement charge or other charge to which priority is given by Act of Parliament.

(3.) An advance by the Commissioners to an approved association may be made upon the security of recognised mortgages effected by the association with or without other security and for an amount equal to the amount

Ss. 1, 2.

secured for the time being by such mortgages, and may be repayable within such period not exceeding sixty years from the date of the advance as may be agreed between the Commissioners and the association.

(4.) Any moneys advanced by an approved association upon a recognised mortgage may be advanced at interest payable at such rate per centum per annum as will, after deduction from such interest of the income tax thereon, yield to the association a net rate of interest.

(5.) For the purposes of this section, the expression "approved association" means an association which is approved by the Treasury for the purposes of this Act, and which does not trade for profit or by its constitution or otherwise is restricted in relation to the rate of interest on loan capital and the distribution of profits amongst its members so as to comply with regulations made in that behalf by the Treasury, and the expression "person" in the definition of borrower shall, without prejudice to the effect of section nineteen of the Interpretation Act, 1889, include an association registered under the Industrial and Provident Societies Acts, 1893 to 1913, and having for its object, or one of its objects, the provision of small holdings or allotments.

52 & 53 Vict. c. 63.

Organisation of agricultural credit societies.

56 & 57 Vict. c. 39.

2.—(1.) The Minister of Agriculture and Fisheries (hereinafter referred to as the Minister) shall take such steps as are practicable to promote the formation or extension of agricultural credit societies, that is to say, societies approved by the Minister and registered under the Industrial and Provident Societies Act, 1893, having for their object, or one of their objects, the making of advances to members of the society repayable within a period not exceeding five years for such agricultural purposes as may be approved by the Minister.

(2.) The Minister at any time within three years after the passing of this Act or during such further period as the Treasury may prescribe, may, subject to the pro-

S. 2.

visions of any regulations made by the Treasury, make advances to any such society, but so that the total sum advanced to a society shall not exceed an amount equal to one pound for every one pound share held by members of the society on which a sum of five shillings has been paid.

(3.) For the purpose of this section, there shall be opened in such manner as the Treasury may direct an account called "the Agricultural Credits Account," and there shall be paid to that account—

(a) such money as may from time to time be provided by Parliament towards defraying the advances and expenses of the Minister directed by this section to be paid out of the Agricultural Credits Account; and

(b) all sums received by the Minister in respect of advances made by the Minister under this section.

(4.) The advances and expenses of the Minister under this section shall be paid out of the money standing to the credit of the Agricultural Credits Account.

(5.) The Minister shall cause an account to be prepared and transmitted to the Comptroller and Auditor-General for examination on or before the thirtieth day of September in every year, showing the sums paid into and the sums issued out of the Agricultural Credits Account in the financial year ending on the thirty-first day of March preceding, and the Comptroller and Auditor-General shall certify and report on the same, and such account and report shall be laid before Parliament on or before the thirty-first day of January in the following year if Parliament be then sitting, and, if Parliament be then not sitting, within one week after Parliament is next assembled.

The Minister shall also cause to be laid before both Houses of Parliament an annual report of his proceedings under this section.

Ss. 2—6.

(6.) Payments out of and into the Agricultural Credits Account and all other matters relating to the Account, and to the money standing to the credit of the Account, shall be paid and regulated in such manner as the Treasury direct.

(7.) The provisions set forth in Part I. of the Schedule to this Act shall apply to every agricultural credit society to which this section applies as if they formed part of the Industrial and Provident Societies Act, 1893, and, if an advance is made to such a society under this section, the provisions set forth in Part II. of that schedule shall also apply to the society so long as any part of the advance remains outstanding.

* * * * *

Regulations or orders to be laid before the Commons House of Parliament.

4. All regulations or orders made by the Minister or by the Treasury for the purpose of carrying out this Act shall be laid before the Commons House of Parliament as soon as may be after they are made.

For the regulations see pp. 490—492.

Application to Scotland.

5. This Act shall apply to Scotland, subject to the following modifications:—

(a) The Board of Agriculture for Scotland shall be substituted for the Minister of Agriculture and Fisheries; the Agricultural Credits (Scotland) Account shall be substituted for the Agricultural Credits Account; "freehold or copyhold land" shall mean "land held in fee simple"; "mortgage" shall mean "heritable security"; "devisee" shall include "legatee"; "incumbrance" shall not include a burden or charge incident to tenure;

* * * * *

Short title.

6. This Act may be cited as the Agricultural Credits Act, 1923.

SCHEDULE.

Section 2.

PART I.

PROVISIONS APPLICABLE TO AN AGRICULTURAL CREDIT SOCIETY TO WHICH THIS ACT APPLIES.

1. A society shall not be deemed, for the purposes of the Industrial and Provident Societies Act, 1893 (hereinafter referred to as the Act of 1893), to carry on the business of banking.

2. Section four of the Act of 1893, so far as it provides that no member other than a registered society shall have or claim any interest in the shares of a society exceeding two hundred pounds shall not apply to a society, and the Second Schedule to the Act of 1893 shall apply as if it were modified accordingly.

3. A society shall be exempt from registration under the Moneylenders Act, 1900. 63 & 64 Vict. c. 51.

PART II.

ADDITIONAL PROVISIONS APPLICABLE TO SUCH SOCIETY IF IN RECEIPT OF FINANCIAL ASSISTANCE.

1. The Registrar may under the Act of 1893 cancel the registry of a society on the application of the Minister.

2. The rules of a society shall comprise such rules as the Minister may require for the purposes of this Act and shall not be altered without the consent of the Minister.

3. The books of a society shall be open to inspection by an officer of the Minister.

4. The Registrar on the application of the Minister may, under section eighteen of the Act of 1893, appoint an accountant or actuary to inspect the books of the society and to report thereon, and may, under section fifty of that Act, appoint an inspector to examine into and report on the affairs of a society.

5. Advances to members may be made without any security on real or personal property, and may be of such amount as the society thinks fit, but so that an advance to any member shall not exceed one-tenth part of the share capital of the society for the time being issued, or more than an amount equal to five pounds for every one pound share held by the member on which a sum of five shillings has been paid.

Schedule.

6. A society shall not accept deposits and shall not borrow money without the consent of the Minister.

7. Not more than five shillings shall, without the consent of the Minister, be called up in respect of each pound of the share capital except for the purposes of winding up or dissolving the society.

8. The rules of the society shall provide for the limitation or restriction of the division of the profits of the society by way of dividends or bonus on the share capital of the society in such manner as the Minister may approve.

APPENDIX.

PART I.

STATUTORY RULES AND ORDERS.

S. R. O. 1916, No. 326/L. 15.

FRIENDLY SOCIETIES ACT RULES, 1916, DATED 24TH MAY, 1916.

1. All appeals to the High Court under sections 12 (1) (*b*), 13 (3), and 77 (6) (*b*) of the Friendly Societies Act, 1896, shall be brought in the Chancery Division of the High Court and shall be commenced by originating notice of motion within two months of the decision of the Central Office or the Chief Registrar or within such further time as the Chief Registrar or the Court may think fit to allow. And the Rules of the Supreme Court for the time being in force shall (except if and so far as otherwise provided by these Rules) apply to all proceedings on any such appeal.

2. The notice of motion shall be headed with a reference to the Friendly Societies Act, 1896, and also with a reference to the decision of the Central Office or the Chief Registrar which is appealed against and shall contain or have scheduled or annexed thereto a concise statement of the grounds of the appeal, and no grounds other than those comprised in such statement shall (except with the leave of the Court and on such terms, if any, as the Court shall think just) be allowed to be taken by the appellant at the hearing of the motion.

3. The notice of motion shall be served on the Chief Registrar and the Court may at any stage of the motion direct that the same be served on any other persons that the Court may think proper.

4. At any stage of the motion the Court may, if it shall appear to be expedient so to do, cause notice to be given by advertisement or otherwise of the time when the motion will be, or is likely to be, heard and disposed of, or otherwise make provision for enabling any persons interested in the Society in question or

in the subject matter of the appeal to appear and be heard on the motion.

5. At any stage of the motion the Court may, if thought fit, give any such special directions for the hearing and disposal of the motion either on affidavit evidence or with witnesses or otherwise and generally at such time and in such manner as may be just and convenient.

6. In all proceedings on any such appeal the Court shall have all the powers vested by the Act in the Central Office or the Chief Registrar, and may make any order which might or ought to have been made by the Central Office or the Chief Registrar.

7. In all proceedings on any such appeal the costs of and incident thereto, including the costs of and incident to any proceedings at the Central Office or before the Chief Registrar, shall be in the discretion of the Court.

8. These Rules may be cited as the Friendly Societies Act Rules, 1916.

S. R. O. 1923, No. 713.

THE INDUSTRIAL ASSURANCE (FEES) REGULATION, 1923, DATED JUNE 22, 1923, MADE BY THE INDUSTRIAL ASSURANCE COMMISSIONER, AND APPROVED BY THE TREASURY, UNDER SECTIONS 2 AND 43 OF THE INDUSTRIAL ASSURANCE ACT, 1923 (13 & 14 GEO. 5, c. 8).

In pursuance of the powers vested in me by the above-named Act and with the approval of the Treasury I, George Stuart Robertson, K.C., Industrial Assurance Commissioner, hereby make the following Regulation:—

The following fees are imposed under the above-named Act:—

	£	s.	d.
On every application for a certificate under section 1 (2) (*d*), for each class of assurances to which the application relates	10	0	0
On every application or request for postponement or further postponement of time under section 7 (1) (*c*)	5	0	0
On every award of dissolution of a Society	2	0	0
On every direction for division or appropriation of the assets of a Society:—			
For the first 200*l.*	2	0	0
For every additional 100*l.* or part of 100*l.*	0	10	0

	£	s.	d.
On every application for a certificate of exemption under section 10	5	0	0
On every application or request for a certificate of exemption under section 11	2	0	0
On every application under section 30 or section 32 (2)			
where the sum assured by the policy in question does not exceed 10*l.*	0	2	6
exceeds 10*l.* but does not exceed 25*l.*	0	5	0
exceeds 25*l.* but does not exceed 50*l.*	0	10	0
exceeds 50*l.*, for every additional 50*l.* or part of 50*l.*	0	10	0
On every reference of a dispute under section 32 (1)			
where the amount of the claim does not exceed 10*l.*	0	2	6
exceeds 10*l.* but does not exceed 25*l.*	0	5	0
exceeds 25*l.* but does not exceed 50*l.*	0	10	0
exceeds 50*l.*, for every additional 50*l.* or part of 50*l.*	0	10	0
where the dispute relates to the rights of the parties without involving any pecuniary claim	0	10	0
On every application for sanction to an amalgamation or transfer of engagements under section 36	10	0	0
And in addition for every day or part of a day occupied in hearing representations	5	0	0
For every inspection on the same day of documents (whether one or more) in the custody of the Commissioner relating to one and the same Society or Company	0	2	6
For a copy or extract of any document in the custody of the Commissioner not exceeding 216 words, 1*s.* 6*d.*, and if exceeding that number, 6*d.* per folio of 72 words or part of a folio.			
For any document certified as a true copy of a document in the custody of the Commissioner ...	0	5	0
And in addition when the copy so certified is not made by the Commissioner and does not exceed 216 words, 9*d.* for the examination of such copy and for every additional folio of 72 words, 3*d.*			

No fee is payable for any document or copy of a document supplied to a public department.

The Commissioner may dispense with the fee for inspection of documents in cases where he may consider it for the public interest to do so.

This Regulation may be cited as the Industrial Assurance (Fees) Regulation, 1923, and shall come into operation forthwith.

G. Stuart Robertson,
Industrial Assurance Commissioner.

We approve this Regulation.

H. Douglas King,
W. Cope,
Two of the Lords Commissioners of His Majesty's Treasury.

22nd June, 1923.

S. R. O. 1923, No. 810.

THE INDUSTRIAL ASSURANCE (COURTS EMERGENCY POWERS) REGULATIONS, 1923, DATED JULY 17, 1923, MADE BY THE INDUSTRIAL ASSURANCE COMMISSIONER, AND APPROVED BY THE TREASURY, UNDER SECTION 43 OF THE INDUSTRIAL ASSURANCE ACT, 1923 (13 & 14 GEO. 5, C. 8).

In pursuance of the powers vested in me by the above-named Act and with the approval of the Treasury, I, George Stuart Robertson, K.C., Industrial Assurance Commissioner, hereby make the following Regulations:—

1. The amount by which the sum assured under a policy is reduced or the manner in which a policy is modified on an application being made to a collecting society or industrial assurance company under section 28 (2) (*b*) of the above-named Act shall be in accordance with a scheme prepared by each society or company and approved by the Commissioner before being brought into operation.

2. No such scheme shall be approved whereunder, in the case of a policy for the whole term of life, such reduction exceeds an amount ascertained by multiplying the number of shillings contained in the arrears of premium due to the society or company by the factor in the schedule to these Regulations set against the age next birthday of the life assured at the date of issue of the new policy: Provided that any fraction of a shilling forming part of the total of such arrears shall, if less than 6*d*., be ignored, and shall, if 6*d*. or more, be treated as one shilling.

3. In the case of an endowment assurance policy, the scheme shall not provide for any modification in the sum assured but

shall provide that the date of maturity shall be modified by being postponed by a period equal to that for which the premiums are in arrear.

4. These Regulations may be cited as the Industrial Assurance (Courts Emergency Powers) Regulations, 1923, and shall come into operation forthwith.

SCHEDULE.

1. Age next Birthday.	2. Factor.	1. Age next Birthday.	2. Factor.
	s. *d.*		*s.* *d.*
10	3 4	50	1 9
1	3 3	1	1 9
2	3 3	2	1 8
3	3 2	3	1 8
4	3 1	4	1 8
15	3 1	55	1 7
6	3 0	6	1 7
7	2 11	7	1 7
8	2 11	8	1 6
9	2 10	9	1 6
20	2 10	60	1 6
1	2 9	1	1 5
2	2 9	2	1 5
3	2 8	3	1 5
4	2 8	4	1 5
25	2 7	65	1 4
6	2 7	6	1 4
7	2 6	7	1 4
8	2 6	8	1 4
9	2 5	9	1 4
30	2 5	70	1 3
1	2 4	1	1 3
2	2 4	2	1 3
3	2 4	3	1 3
4	2 3	4	1 3
35	2 3	75	1 3
6	2 2	6	1 2
7	2 2	7	1 2
8	2 1	8	1 2
9	2 1	9	1 2
40	2 1	80	1 2
1	2 0	1	1 2
2	2 0	2	1 2
3	2 0	3	1 2
4	1 11	4	1 2
45	1 11	85	1 1
6	1 10		
7	1 10		
8	1 10		
9	1 9		

S. R. O. 1923, No. 1495.

THE INDUSTRIAL ASSURANCE (INDIVIDUAL TRANSFER) REGULATIONS, 1923, DATED DECEMBER 11, 1923, MADE BY THE INDUSTRIAL ASSURANCE COMMISSIONER AND APPROVED BY THE TREASURY UNDER SECTION 43 OF THE INDUSTRIAL ASSURANCE ACT, 1923 (13 & 14 GEO. 5, C. 8).

In pursuance of the powers vested in me by the above-named Act and with the approval of the Treasury, I, George Stuart Robertson, K.C., Industrial Assurance Commissioner, hereby make the following Regulations:—

1. The form of consent and document annexed thereto required by section 26 of the above-named Act shall be that set out in the schedule hereto.

2. If the society or company to which the transfer is to be made requires any information to enable it properly to complete the said form, it shall apply to the society or company from which the transfer is to be made, and it shall be the duty of the latter society or company to supply such information, on payment, if demanded, of a sum not exceeding one shilling for each policy in respect of which such information is required.

3. These Regulations may be cited as the Industrial Assurance (Individual Transfer) Regulations, 1923, and shall come into operation on January 1st, 1924.

SCHEDULE.

INDUSTRIAL ASSURANCE ACT, 1923.

SECTION 26.

PRESCRIBED FORM OF CONSENT AND ANNEXED DOCUMENT.

Policy No. .....

Names in full of the person whose life is assured.....

Name of the office which issued the policy.....

Name and address of the collector or agent to whom the last premium under the policy was paid ....

STATEMENT OF THE TERMS OF AND RIGHTS UNDER THE ABOVE-MENTIONED POLICY AND THE PROPOSED NEW POLICY RESPECTIVELY.

Column 1. (Particulars as to which information must be given in Columns 2 and 3.)	Column 2. Information with regard to existing policy.	Column 3. Information with regard to proposed new policy.
(1) Ultimate sum or sums assured (including any bonus now attaching)—	(1)	(1)
(*a*) on death	(*a*)	(*a*)
(*b*) on other event or events..	(*b*)	(*b*)
(2) Event or events, other than death, on which the said sum or sums become payable.	(2)	(2)
(3) Whether the policy is with or without profits.	(3)	(3)
(4) Any other benefits to which the owner of the policy is entitled, including relief from premiums	(4)	(4)
(5) Amount of premium	(5)	(5)
(6) Intervals at which premiums are payable.	(6)	(6)
(7) The earliest date on which the owner of the policy is entitled to a free paid-up policy. [If now, insert "now."]	(7)	(7)
(8) The amount of the free paid-up policy to which he is entitled—	(8)	(8)
(*a*) At the date given under No. 7 in Column 2.	(*a*)	(*a*)
(*b*) At the date given under No. 7 in Column 3. [The amount to be given, if the date is before June 7th, 1928, is the amount, if any, to which he is specifically entitled under the policy and/or the prospectus or rules; if the date is June 7th, 1928, or later, that amount or the amount calculated in accordance with the Act, whichever is the greater.]	(*b*)	(*b*)

State the consideration, if any, which has been or is to be paid for the transfer ....

State the full names and address of any person to whom such consideration has been or will be paid.

Name .....

Address .....

This document is furnished by the.....

.....

the society or company to which the transfer is to be made.

Signed on behalf of the society or company.

Signature .....

Official Position .....

CONSENT TO TRANSFER.

I, the undersigned, being the owner [or parent or other guardian of the owner*], of the above-described policy, having read the above statement containing the terms of and rights under my existing policy and the proposed new policy and fully understanding its effect, do hereby give my consent to the transfer.

Signed by the said

.....

in the presence of

Witness's { Signature..... / Address ..... / Occupation or Description ..... }

Signature.....

Address .....

* If the policy-owner be an infant this consent must be signed by the parent or other guardian and a statement of the relationship added.

S. R. O. 1924, No. 754.

THE INDUSTRIAL ASSURANCE (DEPOSITS, &C.) RULES, 1924, DATED AUGUST 30, 1924, MADE BY THE INDUSTRIAL ASSURANCE COMMISSIONER UNDER THE ASSURANCE COMPANIES ACT, 1909 (9 EDW. 7, C. 49), AS AMENDED BY THE INDUSTRIAL ASSURANCE ACT, 1923 (13 & 14 GEO. 5, C. 8).

In pursuance of the powers vested in me by the above-mentioned Acts, I, George Stuart Robertson, K.C., Industrial Assurance Commissioner, hereby make the following Rules:—

1. In the construction of these Rules, unless and except so far as the context may otherwise require, the following words or phrases shall have the following meanings, that is to say:—

"The Act" means the Assurance Companies Act, 1909, as amended by the Industrial Assurance Act, 1923.

"The Commissioner" means the Industrial Assurance Commissioner.

"Company" means an Industrial Assurance Company.

"Society" means a Collecting Society or a Society making a deposit on behalf of a Collecting Society under Section 7 (5) of the Industrial Assurance Act, 1923.

"The Court" means the Supreme Court of Judicature in England.

"The Paymaster-General" means the Paymaster-General for the time being.

"The Assistant Paymaster-General" means the official or one of the officials acting for the time being as the Assistant or Deputy of the Paymaster-General as hereinbefore defined in relation to business connected with the Court.

"The Bank" means the Bank of England (Law Courts Branch), or such Bank or Branch of a Bank as may from time to time be appointed to receive and deal with cash and securities under the control of the Paymaster-General on behalf of the Court.

DEPOSITS BY INDUSTRIAL ASSURANCE COMPANIES AND COLLECTING SOCIETIES UNDER SECTION 2 OF THE ASSURANCE COMPANIES ACT, 1909, AS AMENDED BY THE INDUSTRIAL ASSURANCE ACT, 1923.

2. Where any company or society is required, in pursuance of the Act, to deposit the sum of twenty thousand pounds with the Paymaster-General for the time being for and on behalf of the

Court in respect of its industrial assurance business, the Company or Society or the subscribers of the Memorandum of Association of the Company or any of them, or the persons applying for the registration of the Society or any of them, as the case may be (in this Rule referred to as the Depositors), may, in the name of the Company or Society, make application to the Commissioner for a Warrant, and the Commissioner may thereupon issue his Warrant to the Depositors for lodgment of such deposit in Court, which Warrant shall be a sufficient authority for the Company or Society or persons therein named to lodge the money therein mentioned at the Bank to the Account of the Paymaster-General for and on behalf of the Court, and for the Paymaster-General or the Assistant Paymaster-General to issue directions to the Bank to receive the same, to be placed in the books of the Paymaster-General, to the credit of *ex parte* the Company or Society mentioned in such Warrant, according to the method for the time being in force respecting the lodgment of money.

Provided that in lieu, wholly or in part, of the lodgment of money, the Depositors may bring into Court as a deposit an equivalent sum of any stocks, funds, or securities in which cash under the control of or subject to the order of the Court may for the time being be invested (the value thereof being taken at a price as near as may be to, but not exceeding, the current market price); and in that case the Commissioner shall vary his Warrant accordingly, by directing the lodgment of such amount of such stocks, funds, or securities, by the Company or Society or the persons therein named, to the said account of the said Paymaster-General for the credit in his books of *ex parte* the Company or society mentioned in such Warrant.

3. The application to the Commissioner and the Warrant of the Commissioner shall specify that the deposit is being made in respect of industrial assurance business, and the deposit shall be marked accordingly in the books of the Paymaster-General to a special ledger credit.

4. Where a lodgment of money or securities has been made under the preceding Rules, the Court may, on the application of the Company or Society, order:—

(*a*) Investment in such of the stocks, funds, or securities in which cash under the control of or subject to the order of the Court may for the time being be invested as the applicants desire and the Court thinks fit, and either by way of original investment or by way of variation of investment.

(*b*) Payment to the Company or Society of the interest, dividends, or income from time to time accruing due on any stocks, funds, or securities in which the deposit is for the time being invested.

(c) Transfer or payment in the cases provided for by the Rules following of the deposit and the stocks, funds, or securities for the time being representing the same either from one ledger credit of the Company or Society to another or out of Court.

5. In the subsequent provisions of these Rules the term "the deposit fund" means the money or securities deposited, or the stocks, funds, or securities for the time being representing the same, as the case may be.

6. Rules 6 and 7 of the Rules relating to Deposits made by the Board of Trade under the Assurance Companies Act, 1909, on the 6th day of June, 1910 (S. R. & O. 1910, No. 566), shall apply, so far as applicable, to Societies and as if industrial assurance business were a class of assurance business within the meaning of those Rules.

7. The issuing in any case of any Warrant or certificate relating to a deposit or to the deposit fund, or any error in any such Warrant or certificate, or in relation thereto, shall not make the Commissioner, or the person signing the Warrant or certificate on his behalf, in any manner liable for or in respect of the deposit fund, or the interest or dividends accruing on the same, or any part thereof respectively.

8. Any application under these Rules to the Court shall be made in such manner as shall from time to time be prescribed by Rules of Court: Provided always that any application relating to industrial assurance business under Rule 6 or Rule 7 of the Rules relating to Deposits made by the Board of Trade under the Assurance Companies Act, 1909, on the 6th day of June, 1910, as modified by these Rules shall be served on the Commissioner.

CUSTODY, INSPECTION, AND CERTIFICATION OF DOCUMENTS.

9. A copy of every document required by the Assurance Companies Act, 1909, as amended by the Industrial Assurance Act, 1923, to be deposited with the Commissioner shall be open to inspection by any person on payment of a fee of 2*s*. 6*d*. for every inspection on the same day of documents (whether one or more) so deposited with the Commissioner relating to one and

the same Company or Society; and any person may procure a copy of any such document or any part thereof on payment of a fee of 1*s.* 6*d.*, if such copy does not exceed 216 words, with an additional fee of 6*d.* for every folio of 72 words in excess of that number, in addition to the fee for the certificate, if the copy is certified.

The Deputy Industrial Assurance Commissioner is hereby appointed for the purpose of certifying documents under Section 21 of the said Act as so amended.

QUALIFICATIONS OF AN ACTUARY.

10. Any person signing as actuary valuation returns of a Company or a Society shall be either—

(1) a Fellow of the Institute of Actuaries or of the Faculty of Actuaries; or

(2) where application is made by the Company or Society and where, in the opinion of the Commissioner, special circumstances exist, an Associate of the Institute of Actuaries or of the Faculty of Actuaries; or

(3) such other person having actuarial knowledge as the Commissioner may, on the application of the Company or Society, approve, provided that such person has on at least two previous occasions made a statutory valuation for such Company or Society.

11. The Provisional Rules, dated 25th June, 1923, which came into operation on that date, shall continue in force until the 12th day of October, 1924, on which day the said Rules shall be superseded and replaced by these Rules.

12. These Rules may be cited as the Industrial Assurance (Deposits &c.) Rules, 1924.

G. Stuart Robertson,
Industrial Assurance Commissioner.

30th August, 1924.

S. R. O. 1916, No. 325/L. 14.

INDUSTRIAL AND PROVIDENT SOCIETIES ACTS RULES, 1916, DATED 24TH MAY, 1916.

1. All appeals to the High Court under section 7 (1) of the Industrial and Provident Societies Act, 1893, as amended by section 3 of the Industrial and Provident Societies (Amendment) Act, 1895, and section 9 (4) of the Industrial and Provident

Societies Act, 1893, shall be brought in the Chancery Division of the High Court and shall be commenced by originating notice of motion within two months of the decision of the Registrar or within such further time as the Registrar or the Court may think fit to allow. And the Rules of the Supreme Court for the time being in force shall (except if and so far as otherwise provided by these Rules) apply to all proceedings on any such appeal.

2. The notice of motion shall be headed with a reference to the Industrial and Provident Societies Act, 1893, and also with a reference to the decision of the Registrar which is appealed against and shall contain or have scheduled or annexed thereto a concise statement of the grounds of the appeal, and no grounds other than those comprised in such statement shall (except with the leave of the Court and on such terms, if any, as the Court shall think just) be allowed to be taken by the appellant at the hearing of the motion.

3. The notice of motion shall be served on the Registrar and the Court may at any stage of the motion direct that the same be served on any other persons that the Court may think proper.

4. At any stage of the motion the Court may, if it shall appear to be expedient so to do, cause notice to be given by advertisement or otherwise of the time when the motion will be, or is likely to be, heard and disposed of, or otherwise make provision for enabling any persons interested in the Society in question or in the subject matter of the appeal to appear and be heard on the motion.

5. At any stage of the motion the Court may, if thought fit, give any such special directions for the hearing and disposal of the motion either on affidavit evidence or with witnesses or otherwise and generally at such time and in such manner as may be just and convenient.

6. In all proceedings on any such appeal the Court shall have all the powers vested by the Act in the Registrar, and may make any order which might or ought to have been made by the Registrar.

7. In all proceedings on any such appeal the costs of and incident thereto, including the costs of and incident to any proceedings before the Registrar, shall be in the discretion of the Court.

8. These Rules may be cited as the Industrial and Provident Societies Act Rules, 1916.

S. R. O. 1923, No. 1372.

THE AGRICULTURAL CREDITS (APPROVED ASSOCIATIONS) REGULATIONS, 1923, DATED NOVEMBER 14, 1923, MADE BY THE TREASURY UNDER SECTION 1 (5) OF THE AGRICULTURAL CREDITS ACT, 1923 (13 & 14 GEO. 5, C. 34).

Whereas by sub-section 5 of section 1 of the Agricultural Credits Acts, 1923 (13 & 14 Geo. 5, c. 34), it is enacted that for the purposes of that section an "approved association" means an association which is approved by the Treasury for the purposes of that Act, and which does not trade for profit or by its constitution or otherwise is restricted in relation to the rate of interest on loan capital and the distribution of profits amongst its members so as to comply with regulations made in that behalf by the Treasury.

Now, therefore, the Lords Commissioners of His Majesty's Treasury, by virtue of the power vested in Them by the said section and of all the other powers enabling Them in that behalf, hereby make the following regulations, which may be cited as the Agricultural Credits (Approved Associations) Regulations, 1923.

1. The rate of interest which may be paid by an approved association upon any loan capital raised after the date of these regulations shall not exceed the rate of six per cent. per annum, such rate being a gross rate calculated before deduction of income tax.

2. The distribution of profits amongst members of an approved association shall be limited in any year to the payment of a dividend not exceeding the rate of five per cent. per annum upon any share capital of the Society, for the time being subscribed and paid up, such rate being a gross rate calculated before deduction of income tax.

Dated this 14th day of November, 1923.

S. R. O. 1923, No. 1373.

THE AGRICULTURAL CREDITS (ADVANCES TO CREDIT SOCIETIES) REGULATIONS, 1923, DATED NOVEMBER 14, 1923, MADE BY THE TREASURY UNDER SECTION 2 (2) OF THE AGRICULTURAL CREDITS ACT, 1923 (13 & 14 GEO. 5, C. 34).

Whereas it is provided by sub-section 2 of section 2 and section 5 of the Agricultural Credits Act, 1923, that the Minister of Agriculture and Fisheries or the Board of Agriculture for Scotland at any time within three years after the passing of that Act, or during such further period as the Treasury may prescribe, may, subject to the provisions of any regulations made by the Treasury, make advances to any Agricultural Credit Society within the meaning of sub-section (1) of section 2, but so that the total sum advanced to a society shall not exceed an amount equal to one pound for every one pound share held by members of the society on which a sum of five shillings has been paid.

Now, therefore, the Lords Commissioners of His Majesty's Treasury by virtue of the powers vested in Them by the said section and of all other powers enabling Them in that behalf hereby make the following regulations:—

1. Any sum advanced to a society by the Minister shall be secured either by a debenture or debentures issued by the society and constituting a floating charge in priority to other creditors of the society upon all the assets of the society (including the uncalled capital) capable of being so charged, or in such other way as the Treasury may approve.

2. Advances shall bear interest payable half-yearly at such rate as the Treasury may fix. Until further notice the rate shall be 5 per cent. per annum.

3. Any advance by the Minister to a society may be repayable in instalments or otherwise as may be agreed between the Minister and the society, but so that the whole amount outstanding shall become repayable on demand

(*a*) If any instalment of an advance or interest is not paid within one month after it becomes payable, or

(*b*) if any proceedings are commenced for the winding up or dissolution of the society.

4. So long as any money advanced by the Minister to a society is outstanding there shall not be paid out of the profits of the society by way of dividend or bonus on the share capital of the

society any sum in excess of an amount equal to five per cent. per annum on the paid up share capital except that in any year, if the profits of the year or the reserve fund shall be sufficient for the purpose, any deficiency during a preceding year in payment of the maximum dividend or bonus hereby authorised may be paid out of those profits or out of the reserve fund.

Subject to these authorised payments, the profits of the society in each year shall be carried to a reserve fund.

5. The society shall make such provision in its rules for securing the foregoing conditions as the Minister may require.

6. So long as any money advanced by the Minister to a society is outstanding the society shall render to the Minister such information and accounts and in such form as he may require.

7. In the application of these regulations to Scotland the Board of Agriculture for Scotland shall be substituted for the Minister of Agriculture and Fisheries.

8. These regulations may be cited as the Agricultural Credits (Advances to Credit Societies) Regulations, 1923.

Dated this 14th day of November, 1923.

PART II.

AUDIT.

MEMORANDUM of Instructions to Public Auditors and Conditions under which they hold their Appointments.

1. Public auditors are appointed to act in England and Wales, Scotland *or* Ireland. They will not, however, be ranked as public servants, and will have no salaries, nor will they have any claim to pension or gratuity. They are not to assume the title of "Government auditors" or any similar one; but are to describe themselves as "Public auditors under the Friendly Societies Act, 1896, and the Industrial and Provident Societies Act, 1893." Public auditors are not permitted to make any use of the Royal Arms.

2. The public auditor is bound to accept for audit, for the fees indicated below, the accounts of any society, except as hereinafter mentioned (the term "society" to include a branch of a society) which is registered under either the Friendly Societies Act, 1896, or the Industrial and Provident Societies Act, 1893, and situated in that part of the United Kingdom for which he is appointed, provided that the society complies with the terms of these instructions. No public auditor can audit the accounts, balance-sheet, or annual return of any society of which he is accountant.

3. A society desirous of submitting its accounts to a public auditor must forward all the necessary materials, including a copy of the registered rules of the society and the annual return of the income and expenditure, funds and effects of the society, made up in the form prescribed for the time being, to his address given in the list of public auditors. A public auditor is not bound to leave his office for the purpose of the audit.

4. The auditor is to verify the annual return with the accounts and vouchers relating thereto, and must have regard to the rules of the society, and either sign the annual return as found by him to be correct, duly vouched, and in accordance with law, or specially report to the society in what respects he finds it incorrect, unvouched, or not in accordance with law. He will also

be required to initial any alterations in the annual return which may be necessary for the requirements of the chief registrar.

5. The work of the auditor will be confined to auditing, but he has under the Acts a right of access to all the books, accounts, and official documents of the society. Should there be errors in the annual return, or in the books, accounts or vouchers submitted to him, the documents, &c., &c., are to be returned (at the cost of the society) for correction, unless the auditor be requested by the society to correct the inaccuracies, in which case he is entitled to claim an additional fee, to be arranged between him and the society.

6. Rates of payment:—

For auditing the accounts of societies (except working men's clubs and collecting societies) registered under the Friendly Societies Act, the scale of payment shall be:—

	£	*s.*	*d.*
Not exceeding 3,000*l.* of gross receipts	3	3	0
Exceeding 3,000*l.* for every 1,000*l.* in excess up to 10,000*l.*	1	1	0

Above 10,000*l.* fee to be fixed by special arrangement.

For auditing the accounts of working men's clubs registered under the Friendly Societies Act, and clubs registered under the Industrial and Provident Societies Acts, the scale of payment shall be:—

	£	*s.*	*d.*
Where receipts and payments added together do not exceed 2,000*l.*	3	3	0
Exceeding 2,000*l.* for every 2,000*l.* in excess	1	1	0

For auditing the accounts of collecting societies the scale of payment shall be:—

	£	*s.*	*d.*
Where receipts and payments taken together do not exceed 1,000*l.*	5	5	0
Exceeding 1,000*l.* for every 1,000*l.* in excess up to 50,000*l.*	2	2	0

For auditing the accounts of industrial and provident societies except agricultural societies (*see* below) and clubs (*see* above) the scale of payment shall be:—

	£	*s.*	*d.*
Not exceeding 3,000*l.* of gross receipts	3	3	0
Exceeding 3,000*l.* for every 1,000*l.* in excess up to 10,000*l.*	1	1	0

Above 10,000*l.* the fee to be fixed by special arrangement.

For auditing the accounts of agricultural societies registered under the Industrial and Provident Societies Acts, the scale of payment shall be:—

	£	s.	d.
Not exceeding 2,000*l.* of gross receipts	2	2	0
Exceeding 2,000*l.* for every 1,000*l.* in excess up to 10,000*l.*	1	1	0

Above 10,000*l.* fee to be fixed by special arrangement.

Travelling Expenses.

The scale of fees is exclusive of travelling expenses. Terms should be arranged. The attendance of an auditor is at his own discretion.

Additional Charges.

For work additional to that required in the ordinary course of auditing or for the preparing of a special report, an appropriate fee should be arranged.

7. The scales of fees apply to all societies situated within that part of the United Kingdom for which the auditor is appointed. If a society employs an auditor appointed for another part of the United Kingdom special terms may be arranged.

The auditor may accept audits on terms lower than those of the above scale.

8. Auditors shall hold their appointments from year to year, dating from the first day of January in each year. The Treasury reserves entire discretion as to re-appointing them.

9. Every public auditor shall send to the chief registrar of friendly societies, not later than the first day of May in each year, a return of the audits conducted on the accounts of the preceding financial year, as defined by section 27 of the Friendly Societies Act, 1896, and section 3 of the Industrial and Provident Societies (Amendment) Act, 1913. The return must contain the names of the societies whose accounts were audited, the number of members, &c., and the fee received from each society. If no audits have been conducted the word "Nil" must be written in the space provided on the front page of the form, which must be signed at the foot.

10. The appointment of public auditor does not qualify the holder for undertaking valuation business, and it must not be used for obtaining such work.

11. A public auditor who fails to comply with any of the instructions or conditions hereinbefore contained is liable to be disqualified for re-appointment.

12. The scales of fees above laid down will remain in force only as from year to year. At the end of any year they may be confirmed or altered in such manner as the Treasury may direct.

13. Auditors are requested to make themselves acquainted with the provisions of the Friendly Societies Act, 1896, and of the Industrial and Provident Societies Acts, 1893 to 1913, which affect the exercise of their functions, and with the rules of the societies whose accounts are submitted to them for audit. Their attention is particularly directed to sections 26, 27, 84 and 88 of the Friendly Societies Act, 1896, and to sections 13, 14 and 65 of the Industrial and Provident Societies Act, 1893, and to sections 2, 3, 4 and 10 of the Industrial and Provident Societies (Amendment) Act, 1913.

14. Apart from the above arrangement, the auditors of the Local Government Board are authorised to exercise the functions of public auditors in their respective districts, subject to having obtained the sanction of that Board, but are not bound to accept any accounts for audit.

15. A public auditor, not being also a public valuer, who desires to value societies registered under the Friendly Societies Act, must be either an Associate or a Fellow of the Institute of Actuaries in England, or a Fellow of the Faculty of Actuaries in Scotland; and if a public auditor is found, after the issue of the present conditions, to have valued any such society without being so qualified, he will be struck off the list of public auditors.*

16. A public auditor qualified under these conditions to value societies registered under the Friendly Societies Act must in every case strictly conform to Nos. 5 to 13 inclusive of the instructions issued by the Treasury to public valuers appointed under the Act, and in making valuations for societies shall not describe himself otherwise than as Associate or Fellow of the Institute of Actuaries or as Fellow of the Faculty of Actuaries, as the case may be.

17. A public auditor who has been found to have solicited business, whether audits or valuations, by advertisement, circular, or other similar means, or by offering commission or other inducement to officers or to members of societies or to other persons, will be struck off the list of public auditors.

* No valuation of the assets and liabilities of a society or branch shall be deemed to be a valuation under the Act when the person by whom the same is made (whether a public auditor, qualified in accordance with condition 15, or any other person) has audited the accounts of the society or branch for the last year of the valuation period.

PART III.

VALUATIONS.

MEMORANDUM of Instructions to Public Valuers and Conditions under which they hold their Appointments.

1. Public valuers are appointed to act in England and Wales, Scotland or Ireland. They will not be ranked as public servants, and will have no salaries, nor any claim to pension or gratuity. They are not to assume the title of "Government valuers" or "Government actuaries," but are to describe themselves as "Public valuers under the Friendly Societies Act." Public valuers are not permitted to make use of the Royal Arms.

2. A public valuer is bound to undertake by himself, or through some other public valuer, every valuation under the Act tendered to him by a society (the term "society" to include a branch of a society).

3. The valuer may require that the particulars for valuation shall be supplied to him in such form as he may think fit, together with a copy of the registered rules of the society for the time being, and copies of the annual returns and also of the annual statements of account of the society, where these are not identical with the annual returns, for at least the five years next preceding the date up to which the valuation is to be made.

4. The valuer may ask for such further information as to the affairs of the society as he may deem necessary for the purpose of his valuation.

5. The valuer shall state in his report what sickness and mortality tables he has used in his valuation; and shall state his reasons for using such tables.

6. The valuer may, in estimating the value of a society's liabilities under its assured benefits, use such a rate or rates of interest as he may consider expedient; but when such rate or rates shall exceed 3 per cent., he shall, in his report on the valuation, state fully the grounds on which a higher rate of interest is made use of.

7. No allowance is to be made for possible future profits arising from secessions, unless the number of contributing members in

the society, and the nature of the society's business, be such as fully to justify an allowance being made, and the valuer shall in all such cases state in his report what allowance has been made, and the grounds on which it is made.

8. The method of valuation must in no case have the effect of treating any of the society's assurance contracts as assets; in other words, the liability of the society under its assurance contracts must in no case be treated as having a negative value.

9. The valuation report must in all cases state distinctly what provision is made for future expenses of management, and the valuer shall state whether, in his opinion, judging from the experience of the society, such provision is adequate.

10. In making his report on the valuation, the valuer shall in all cases specially call attention to the assumptions on which the valuation is based, particular care being exercised as to this where the number of members is small.

11. The valuer shall make his valuation and furnish to the society the report and abstract of valuation required by section 28 of the Friendly Societies Act, 1896, within three calendar months after the necessary particulars have been supplied to him, unless there be sufficient reasons for any delay.

12. If in consequence of the number of valuations under the Act which are submitted to him, a public valuer is unable to complete any such valuation within the time above specified, he may transfer such valuation to another public valuer upon the same terms and conditions.

13. When the benefits to be valued do not exceed two classes of sick allowance and deferred annuities, together with sums payable on the deaths of members and of their wives, the scales of payment to public valuers shall be as follows:—

		£	s.	d.
For societies consisting of not more than 75 members..		3	3	0
For societies with over—				
75 members and not exceeding 100 members.....		4	4	0
100 ,, ,, ,, 150 ,, ...		5	5	0
150 ,, ,, ,, 200 ,, ...		6	6	0
200 ,, ,, ,, 300 ,, ...		7	7	0
300 ,, ,, ,, 400 ,, ...		8	8	0
400 ,, ,, ,, 500 ,, ...		9	9	0
500 ,, ,, ,, 600 ,, ...		10	10	0
600 ,, ,, ,, 750 ,, ...		12	12	0
750 ,, ,, ,, 1,000 ,, ...		15	15	0
1,000 ,, ,, ,, 2,500 ,, ...		15	15	0
	for the first 1,000			
		5	5	0
	for every subsequent 500 or part thereof.			

If the number of members exceeds 2,500, and in cases where the number of benefits exceeds that above mentioned, the fee will be a matter of special arrangement. The scales of payment hereby sanctioned are intended to cover all investigations arising out of and incident to a valuation under the Act.

Public valuers may accept valuations on terms lower than those of the above scale, but any public valuer found to have solicited business by offering commission or any other pecuniary inducement, either to officers or members of societies or to other persons, will be struck off the list of public valuers.

Valuers must take such steps as they think fit for obtaining payment of their fees.

14. Public valuers shall hold their appointments from year to year, beginning on the 1st January, and the Treasury reserves the entire discretion as to re-appointing them.

15. Every public valuer shall once in each year not later than the 1st day of August send to the chief registrar of friendly societies a return, containing the names of the societies for whom he has made valuations during the year ending 30th June, the number of members in each society, and the amount of fees received.

16. The Treasury reserves the right of appointing additional valuers if required.

17. Valuers are requested to make themselves acquainted with the provisions of the Friendly Societies Act, 1896, and with the Treasury regulations which affect the exercise of their functions. Their attention is particularly directed to sections 28, 84, and 88 of the Act.

Note.—No valuation of the assets and liabilities of a society or branch shall be deemed to be a valuation under the Act, when the person by whom the same is made (whether a public valuer or not) has audited the accounts of the society or branch for the last year of the valuation period.

PART IV.

PROSECUTIONS UNDER s. 87 (3).

A. Form of Statutory Declaration upon application for Authority of Central Office to prosecute.

Friendly Societies Act, 1896 (59 & 60 *Vict. c.* 25, *s.* 87 (3)).

Name of society . Register No. .

I, , of , a member of the above-mentioned society, do solemnly and sincerely declare (1) that, as I believe I shall be able to prove, of has [*here state the complaint, viz.:*— "obtained possession by false representation or imposition of certain property of the society," *or* "withheld or misapplied property of the society in his possession," *or* "wilfully applied certain property of the society in his possession to purposes other than those required or directed in the rules of the society, and authorised by the above-mentioned Act"]. (2) That the society, the trustees, and committee of management thereof will not make or authorise to be made any complaint in respect of such fraud or misappropriation.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1835.

Taken and received before me, one of His Majesty's justices of the peace for the said county of , at , in the said county, this day of , 19 .

B. Form of Authority by Central Office.

Friendly Societies Act, 1896.

Upon a declaration of , a member of the , that, as he believes he shall be able to prove, has , and that the said society, the trustees, and committee of management thereof will not make or authorise to be made any complaint in respect of such alleged fraud or misappropriation:—

The central office hereby authorises the said , at his own risk and cost, to make complaint in respect thereof, pursuant to sect. 87 (3) of the above-mentioned Act.

Given under the seal of the central office this day of , 19 .

PART V.

FORMS APPENDED TO THE TREASURY REGULATIONS (FRIENDLY SOCIETIES).

Note.—Modifications made under T. R. 71 (p. 224) by the authority of the Chief Registrar have been inserted, and are distinguished by an asterisk in the margin.

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p. 40.

FORM A.—Reg. 3.

FRIENDLY SOCIETIES ACT, 1896.

Application to register a Society.

Name of society .

* (Has the society ever had any rules registered, certified or enrolled? If so, state full name and number under which previously registered. (*Answer*).....).

To the Registrar of Friendly Societies.

Application to register a society under the above name is made by the eight persons whose names are subscribed at the foot hereof.

1. The society is a friendly society [cattle insurance society, benevolent society, working men's club, *or* specially authorised society, *as the case may be*].

2. The matters required to be set forth in the rules, are provided for in the manner shown by the subjoined schedule:—

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(a) The name and place of office of the society and the sending to the registrar notice of any change thereof within 14 days.	(a)
(b) The whole of the objects for which the society is to be established, the purposes for which the funds thereof shall be applicable, the terms of admission of members, the conditions under which any members may become entitled to any benefit assured thereby, and the fines and forfeitures to be imposed on any member, and the consequences of non-payment of any subscription or fine.	(b)

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(c) The mode of holding meetings and right of voting, and the manner of making, altering, or rescinding rules, and the supplying every person on demand with a copy of the rules at a price not exceeding 1*s*.	(c)
(d) The appointment and removal of a committee of management, of a treasurer, and other officers, and of trustees, and the sending to the registrar notice of every appointment of a new trustee within 14 days.	(d)
(e) Whether the society is one having branches; and, if so, the composition and powers of the central body, and the conditions under which a branch may secede from the society.	(e)
(f) The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.	(f)
(g) Annual returns in the prescribed form to the registrar of the receipts, funds, effects, and expenditure, and number of members of the society before the 1st June in every year.	(g)
(h) The inspection of the books of the society by every person having an interest in the funds of the society.	(h)
(i) The manner in which disputes shall be settled.	(i)
(j) Whether the society divides its funds; and, if so, provision for meeting all claims upon the society existing at the time of division before any such division takes place.	(j)
(k) The keeping separate accounts of all moneys received or paid on account of every particular fund or benefit assured for which a separate table of contributions payable shall have been adopted, and the keeping separate account of the expenses of management, and of all contributions on account thereof.	(k)
(l) The supplying gratuitously any member or person interested on demand with a copy of the last annual return or other authorised document.	(l)
(m) A valuation once at least in every five years, of the assets and liabilities of the society, including the estimated risks and contributions.	(m)

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(n) Provision for the voluntary dissolution of the society by consent of not less than five-sixths in value of the members, testified by their signatures to the instrument of dissolution, and of every person for the time being entitled to any benefit from the funds of the society, unless his claim be first satisfied or adequately provided for.	(n)
(o) The right of one-fifth of the total number of members [*or* of one hundred members if the society have 1,000 and not exceeding 10,000, *or* of 500 members if the society have more than 10,000] to apply for an investigation of the affairs or the calling of a special meeting of the society, or for winding up the same.	(o)
(p) The keeping a copy of the last annual balance sheet, with the auditors' report, if any, and of the last quinquennial valuation always hung up at the registered office.	(p)
(q) If the society pays money on death, the right of a member to nominate, and the production of certificates of death.	(q)
(r) If it be intended to assure certain annuities, tables of contributions for such assurance are certified by , esquire, an actuary qualified to give such certificate under s. 16 of the Friendly Societies Act, 1896.	(r)
* (s) * * * *	

* (k) to (r) are not required except for friendly societies and cattle insurance societies.

With this application are sent—

(a) Two printed copies of the rules [together with the tables of contributions for annuities, certified as aforesaid] signed by each of the applicants.

(b) A list of the names of the secretary and of every trustee,

or officer intended to be authorised to sue and be sued on behalf of the society.

Signed 1.————, member.
2.————, „
3.————, „
4.————, „
5.————, „
6.————, „
7.————, „
8.————, secretary.

Registered office, .

Date day of , 18 .

To the Registrar of Friendly Societies,
28, Abingdon Street, London, S.W. [*or* Edinburgh *or* Dublin, *as the case requires*].

[If the society intends to avail itself of sect. 47 of the Friendly Societies Act, 1896, as to the holding of land, sect. 53, as to discharge of mortgages by receipt endorsed, sect. 46, as to loans to members, sect. 42, as to accumulating surplus of contributions for members' use, or sect. 54, as to security by officers, or to charge money for recording nominations, &c., under Regulation 25, rules for those purposes must be made, and it should be stated in what rules this has been done.]

pp. 30, 49.

FORM A2.—Reg. 4.

FRIENDLY SOCIETIES ACT, 1896.

Acknowledgment of Registry of a Specially Authorised Society.

The is registered as a specially authorised society under the Friendly Societies Act, 1896, this day of , 19 .

Provisions of the Act which are extended to the society.	Provisions of the Act which are not extended to the society.
Sections 1 to 11	Sections 12
13, 14	15, 16
17 to 27	28
29, 30	31
32	33
34	35
36 to 40	41 to 43
44	45, 46
47	48
49 to 55	56 to 67
68, 69	70 to 73
74 to 109	

[This is the specification most generally applicable to specially authorised societies. Where other provisions are specified in the special authority, it will be modified accordingly. For example, while the special authority allows of subscriptions being recoverable, s. 23 will not be extended and s. 31 will. Where the special authority does not allow of membership of minors, s. 36 will not extend. Where it allows of loans, ss. 45 and 46 will be transferred to the first column, and so forth.]

[A similar specification will be added to the form prescribed by the Act for a complete amendment of rules.]

p. 52.

FORM B.—Reg. 6.

FRIENDLY SOCIETIES ACT, 1896.

Application to register a Partial Amendment of Rules.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Registrar of Friendly Societies.

Application to register a partial amendment of the rules of the above-named society is made by the person whose name is subscribed at the foot hereof.

With this application are sent—

(a) A printed copy of the registered rules, marked to show where the alterations occur, and what they are;

(b) Two printed [*or* written] copies of the amendment (*a*), each signed by the applicant and three members of the society;

(c) A statutory declaration in Form C. of an officer of the society, that the amendment now submitted for registry has been duly made by the society, and that to the best of his knowledge and belief the same is not contrary to the provisions of the Friendly Societies Act in that behalf.

(Signed)

Secretary.

Registered office,

Dated day of 18 .

To the Registrar of Friendly Societies, London [Edinburgh *or* Dublin].

FORM C.—Regs. 6, 7. p. 52.

Friendly Societies Act, 1896.

Declaration in Support of an Amendment of Rules.

Name of society .

Registered No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

County of to wit.

I , of , an officer of the above-named society, do solemnly and sincerely declare that the amendment of the rules of the said society, a copy of which is hereto annexed, has been duly made by the society, and that to the best of my knowledge and belief the same is not contrary to the provisions of the Friendly Societies Act.

And I make this solemn declaration, conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1835.

Taken and received before me, one of Her Majesty's justices of the peace for the said county of at in the said county, this day of 18 . } Signature of declarant.

(*a*) This word includes a resolution rescinding a rule and a new rule.

p. 52.

FORM D.—Reg. 6.

FRIENDLY SOCIETIES ACT, 1896.

Application to Register a Complete Amendment of Rules.

Name of society .

Registered No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Registrar of Friendly Societies.

1. Application to register a complete amendment of the rules of the above-named society is made by the person whose name is subscribed at the foot hereof.

2. The matters, &c. [*as in Form A.*, clause 2, p. 502.]

With this application are sent—

(a) A printed copy of the registered rules.

(b) Two printed copies of the new rules proposed by way of complete amendment [(*b*) together with the tables of contributions for annuities, certified as aforesaid], each signed by the applicant and three members of the society;

(c) A statutory declaration in Form C. of an officer of the society, that the amendment now submitted for registry has been duly made by the society, and that to the best of his knowledge and belief the same is not contrary to the provisions of the Friendly Societies Acts in that behalf.

Signed

Secretary.

Registered office,

Date day of , 18 .

To the Registrar of Friendly Societies, London [Edinburgh *or* Dublin].

[If the society intends, &c. [*as in Form A.*, p. 505].]

(*b*) If the society does not grant annuities, these words should be struck out.

FORM E.—Reg. 8. p. 57.

FRIENDLY SOCIETIES ACT, 1896.

Application to record Rules registered in another Country.

Name of society .

Register No. . [*Add* England, Scotland, *or* Ireland, *as the case may be.*]

To the Registrar of Friendly Societies.

Application to record the rules of the above-named society is made by the secretary of the same.

1. The society carries [*or* intends to carry] on business in [Scotland, Ireland, *or* England, *as the case may be*] as well as in England, Scotland, *or* Ireland where the same is registered.

2. With this application are sent two printed copies of the rules of the society, such copies being under the seal of the Central Office [*or* under the signature of the assistant registrar for Scotland *or* Ireland].

Signed

Secretary.

Registered office,

Date day of , 18 .

FORM F.—Reg. 8. p. 57.

FRIENDLY SOCIETIES ACT, 1896.

Application to record Amendment of Rules already recorded.

Name of society .

Register No. . [*Add* England, Scotland, *or* Ireland, *as the case may be.*]

Recorded in [Scotland, Ireland, *or* England, *as the case may be*] No. .

To the Registrar of Friendly Societies.

Application to record an amendment of the rules of the above-named society is made by the secretary of the same.

1. The society carries on business in [Scotland, Ireland, *or* England, *as the case may be*] as well as in [England, Scotland, *or* Ireland] where the same is registered.

The rules of the society have been already recorded in [Scotland, Ireland, *or* England, *as the case may be*].

3. With this application are sent two printed copies of an amendment of such rules lately registered, such copies being under the seal of the Central Office [*or* under the signature of the assistant registrar for Scotland *or* Ireland].

Signed

Secretary.

Registered office,
Date day of 18 .

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pp. 61, 181.

FORM A*b*.—Reg. 10.

Friendly Societies Act, 1896.

Notice of Establishment of Branch and Application for Registry.

Name of society .

Register No. .

* (Has the branch ever had any rules registered, certified or enrolled? (*Answer*).....).

To the Registrar of Friendly Societies.

1. A branch of the above society has been established at in the county of , and is to be called No. .

2. Application to register that branch is made by the five persons whose names are subscribed at the foot hereof.

3. The matters required to be set forth in branch rules are provided for in the manner shown by the subjoined schedule:—

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(a) The name and place of office of the branch, and the sending to the registrar through the society notice of any change thereof within three weeks.	(a)
(b) The whole of the objects for which the branch is to be established, the purposes for which the funds thereof shall be applicable, the terms of admission of members, the conditions under which any member may become entitled to any benefit assured thereby, and the fines and forfeitures to be imposed on any member and the consequences of non-payment of any subscription or fine.	(b)

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(c) The mode of holding meetings and the right of voting, and the manner of making, altering, or rescinding rules, and the supplying any person on demand with a copy of the rules at a price not exceeding 1*s*.	(c)
(d) The appointment and removal of a committee of management , of a treasurer, and other officers, and of trustees, and the sending to the registrar through the society notice of every appointment of a new trustee within 14 days.	(d)
(e) The contribution to a fund under the control of the central body, the control of the central body over the branch, and the conditions under which the branch may secede from the society.	(e)
(f) The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.	(f)
(g) Annual returns in the prescribed form to the registrar through the society of the receipts, funds, effects, and expenditure, and number of members of the branch.	(g)
(h) The inspection of the books of the branch by every person having an interest in the funds of the branch (except as in the said Act is mentioned).	(h)
(i) The manner in which disputes shall be settled.	(i)
(j) If the society allows of the division of branch funds provision for meeting all claims upon the branch existing at the time of division before any such division takes place.	(j)
(k) The keeping separate accounts of all moneys received or paid on account of every particular fund or benefit assured for which a separate table of contributions payable shall have been adopted, and the keeping separate accounts of the expenses of management, and of all contributions on account thereof.	(k)
(l) The supplying gratuitously every member or person interested on demand with a copy of the last annual return or other authorised document.	(l)
(m) A valuation once at least in every five years of the assets and liabilities of the branch, including the estimated risks and contributions.	(m)

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(n) Provision for the voluntary dissolution of the branch by consent of the central body of the society and of not less than five-sixths in value of the members of the branch and of every person for the time being entitled to any benefit from the funds of the branch, unless his claim be first satisfied or adequately provided for.	(n)
(o) The right of one-fifth of the total number of members [*or* of one hundred members if the branch have 1,000 and not exceeding 10,000, *or* of 500 members if the branch have more than 10,000], (but with the consent of the central body of the society), to apply to the chief registrar for an investigation of the affairs or the calling of a special meeting of the branch, or for winding up the same.	(o)
(p) The keeping a copy of the last annual balance sheet, with the auditors' report, if any, and of the last quinquennial valuation, always hung up at the registered office.	(p)
(q) If it be intended to assure certain annuities, tables of contributions for such assurance, certified by , Esquire, an actuary qualified to give such certificate under s. 16 of the Friendly Societies Act, 1896.	(q)
* (r) * * * *	

With this application are sent—

Two printed copies of the rules [together with the tables of contributions for annuities, certified as aforesaid], each signed by each of the applicants;

A list of the trustees of the branch.

Signed 1. ———, member.
2. ———, „
3. ———, „
4. ———, secretary of branch.
5. ———, secretary of society.

Registered office,

Date day of , 19 .

[If the branch intends to avail itself of s. 44 of the Friendly Societies Act, 1896, as to investment with other branches; s. 47, as to the holding of land; s. 53, as to discharge of mortgages by receipt endorsed; s. 46, as to loans to members; s. 49, as to accumulating surplus of contributions for members' use; or s. 54, as to security by officers; or to charge money for nominations, &c., under Regulation 25 it should be stated in what rules this has been done.]

To the Registrar of Friendly Societies,
London [Edinburgh *or* Dublin].

FORM B*b*.—Reg. 11. p. 62.

FRIENDLY SOCIETIES ACT, 1896.

Application to register a Partial Amendment of Branch Rules.

Name of society .
Register No. .
Name and number (if any) of branch.

To the Registrar of Friendly Societies.

Application to register a partial amendment of the rules of the above-named branch is made by the person (*c*) whose name is subscribed at the foot hereof.

With this application are sent (a) a printed copy of the registered rules, marked to show where the alterations occur, and what they are; (b) two printed [*or* written] copies of the amendment, each signed by the secretary and three members of the branch, and by the secretary or other authorised officer of the society; (c) a statutory declaration in Form C*b*, that the amendment now submitted for registry has been duly made, and that to the best of his knowledge and belief the same is not contrary to the provisions of the Friendly Societies Acts in that behalf.

Signed
Officer of the society (*or* secretary of the branch).

Registered office,
Date day of 18 .

[If the application is made by any officer of the society the declaration must be that of the secretary of the branch. If the

(*c*) This must be the secretary of the branch, or an officer of the society.

application is made by the secretary of the branch, the declaration must be that of an authorised officer of the society.]

To the Registrar of Friendly Societies, London [Edinburgh *or* Dublin].

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p. 62.

FORM D*b*.—Reg. 11.

FRIENDLY SOCIETIES ACT, 1896.

Application to Register a Complete Amendment of Branch Rules.

Name of society .
Register No. .
Name and number (if any) of branch.

To the Registrar of Friendly Societies.

1. Application to register a complete amendment of the rules of the above-named branch is made by the person whose name is subscribed at the foot hereof.

2. The matters, &c. [*as in Form Ab., clause* 3, p. 510.]

With this application are sent—

(a) A printed copy of the registered rules.

(b) Two printed copies of the new rules proposed by way of complete amendment [(*d*) together with the tables of contributions for annuities, certified as aforesaid], each signed by the secretary and three members of the branch, and by the secretary or other authorised officer, of the society.

(c) A statutory declaration that the amendment now submitted for registry has been duly made; and that, to the best of his knowledge and belief, the same is not contrary to the provisions of the Friendly Societies Acts in that behalf.

Signed
} Secretary of the Branch, or
} Officer of the Society.

Registered office,
Date day of 18 .

To the Registrar of Friendly Societies, London [Edinburgh *or* Dublin].

[If the branch intends, &c. [*as in Form Ab.*, p. 513].]

(*d*) If the branch does not grant annuities, these words should be struck out.

FORM C*b*.—Reg. 12. p. 62.

FRIENDLY SOCIETIES ACT, 1896.

Declaration in support of Amendment of Branch Rules.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Name [and No.] of branch . [*If in Scotland or Ireland, add as above.*]

County of to wit.

I, of , secretary of the above-named branch [*or* an officer of the above-named society], do solemnly and sincerely declare that the amendment of the rules of the said branch, a copy of which is hereto annexed, has been duly made in conformity with the rules of the society and branch in that behalf, and that to the best of my knowledge and belief the same is not contrary to the provisions of the Act above referred to.

And I make, &c. [*as in Form C.*, p. 507.]

FORM G.—Reg. 13. p. 62.

FRIENDLY SOCIETIES ACT, 1896.

Certificate of Officer of Society as to Secession or Expulsion of Branch.

Name of society .

Register No. . [*add* Scotland *or* Ireland *where necessary.*]

Name of branch .

Registered office of branch .

I hereby certify that the above-mentioned branch has wholly seceded [*or* has been expelled] from the above-named society.

Chief Secretary *or* [*if other principal officer, state what officer*] of the society.

Dated this day of , 18 .

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p. 67.

FORM H.—Reg. 14.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Change of Registered Office of Society.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Notice is hereby given that the registered office of the above-mentioned society is removed from , in the county of , and is now situate at , in the county of .

Dated this day of , 18 .

_____
_____ } Trustees.
_____

, Secretary.

To the Registrar.

(*e*) Received this day of notice of removal of the registered office of the Society, Register No. , to , in the county of .

[Seal of central office, *or* signature of a registrar.]

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p. 67.

FORM H*b*.—Reg. 14.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Change of Registered Office of Branch.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Name [and No.] of branch . [*If in Scotland or Ireland, add as above.*]

Notice is hereby given that the registered office of the above-mentioned branch is removed from , in the county of , to , in the county of .

Dated this day of , 18 .

An officer of the society.

To the Registrar.

Secretary of branch.

(*e*) This part to be detached by the registrar when the notice is registered, and returned to the society.

(*e*) Received this day of , 18 , notice of removal of the registered office of the branch of the Society, to , in the county of .

[Seal of the central office, *or* signature of a registrar.]

FORM I.—Reg. 16. p. 68.

FRIENDLY SOCIETIES ACT, 1896.

Copy of Resolution appointing Trustees of Society.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Registered office .

At a meeting of the society, held the day of , 18 , it was resolved by a majority of the members present and entitled to vote—

That (*f*) of , of , and of be a trustee (*or* trustees) of the society. [*If it is not a first appointment, add* in place of , deceased, *or* resigned, *or* removed, *as the case may be.*]

_____
_____ } Trustees (*g*).
_____

, Secretary.

(*h*) Received this day of , 18 , notice of the appointment of as trustees of the Society, Register No. .

[Seal of the central office, *or* signature of a registrar.]

(*e*) This part to be detached by the registrar when the notice is registered, and returned to the society.

(*f*) State full names, addresses, and occupations. The secretary or treasurer cannot be a trustee.

(*g*) The new trustees [or officers to sue and be sued] to sign here.

(*h*) This part to be detached by the registrar when the notice is registered, and returned to the society.

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p. 68.

FORM I*b*.—Reg. 16.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Appointment of New Trustee of Branch.

Name of society .

Register No. . [*If the society be registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Name, Registered office, and No. of branch . [*If in Scotland or Ireland, add as before.*]

Notice is hereby given that (*f*) of , of . and of was [*or* were] on the day of 18 , duly appointed a trustee (*or* trustees) of the above-mentioned branch in the place of , deceased [*or* resigned *or* removed].

Secretary of the branch.
An officer of the society [order].
(*g*) Trustees [*or* officers to sue and be sued] of branch.

(*h*) Received this day of , 18 , notice of the appointment of as trustees of the Branch of the Society.

[Seal of the central office, *or* signature of a registrar.]

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p. 83.

FORM J.—Reg. 21.

FRIENDLY SOCIETIES ACT, 1896.

Application for Direction to Transfer Stock.

(To be accompanied by Form K.)

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Application for a direction to transfer stock is made by the four persons whose names are subscribed at the foot thereof, being the secretary and three members of the above-mentioned society.

1. The society at a meeting held on the day of by a resolution of a majority of the members present, and entitled to

(*f*) State full names, addresses, and occupations. The secretary or treasurer cannot be a trustee.

(*g*) The new trustees [or officers to sue and be sued] to sign here.

(*h*) This part to be detached by the registrar when the notice is registered, and returned to the society.

vote thereat, appointed , of , in the county of [*here name and describe all the trustees then appointed*] to be trustees.

2. A copy of such resolution, duly signed, was sent to the registrar.

3. On the day of the sum of was invested in the purchase of stock transferable at the Bank of England [*or* Ireland] in the names of the said trustees, and the same is still standing in their names, as follows:—[*State exactly in what names the stock stands.*]

4. (*i*) The said is absent from England [*or* Ireland] [*or* became bankrupt, on the day of , *or* filed a petition (*or* executed a deed) for liquidation of his affairs by assignment or arrangement *or* for composition with his creditors, on the day of , *or* has become a lunatic, *or* died on the day of , *or* has not been heard of for years, and it is not known whether he is living or dead].

5. On the day of the society, by a resolution of the majority of the members present and entitled to vote at a meeting thereof, removed the said from his office of trustee, and appointed [*give full name and description*] in his place; and a copy of such resolution, duly signed, was sent to the registrar.

6. Since such removal application has been made in writing to the said [*removed trustee*] to join in the transfer of the said stock into the names of the said [*here give the names of the other trustees, and of the new trustee appointed in the place of the one removed*] as trustees for the said society, but he has refused to comply [*or* has not complied] with such application. [*This paragraph may be omitted, or varied, as the facts require.*]

7. This application to the chief registrar is made pursuant to s. 34 of the Friendly Societies Act, 1896, that he may direct the said stock to be transferred into the names of the said as trustees for the society by . [*This blank should be filled by the names of the surviving or continuing trustees (if any), and if they be willing and able to make the transfer; but if there be no such trustee, or if any such trustee refuse or be unable to make the transfer, then by the words* the accountant-general, or deputy, or assistant accountant-general of the said bank; *and a full statement of the facts and of the grounds of such refusal or inability should be made.*]

(*i*) This clause will not be necessary where the application is in consequence of the mere removal of a trustee.

8. With this application is sent the fee of 1*l.* prescribed by the Treasury Regulations.

Secretary.
Member.
Member.
Member.

Registered office .

Date day of , 18 .

To the Chief Registrar.

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p. 83.

FORM K.—Reg. 21.

FRIENDLY SOCIETIES ACT, 1896.

Declaration verifying Statements in an Application for Direction to Transfer Stock.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

County of to wit.

I , of , in the county of , do solemnly and sincerely declare that I am the secretary of the above-mentioned society.

That and whose names are subscribed at the foot of the application hereto annexed, are members of the said society.

That on the day of , 18 , and therein mentioned were appointed trustees of the said society.

That on the day of , 18 , the sum of was invested in the purchase of stock, transferable at the Bank of England [*or* Ireland] in the names of the said trustees, and the declarant believes that it is still standing in their names, as follows:—[*State as in Form J.*]

That the said is absent from England [*or as the case may be*].

That on the day of , 18 , the said was removed from his office of trustee, and was appointed in his place.

That since such removal, application has been made in writing to the said to join in the transfer of the said stock into the names of the said as trustees for the said society, but he has refused to comply [*or* has not complied] with such application. [*This paragraph may be omitted or varied as the facts require.*]

And I make, &c. [*as in Form C.*, p. 507].

FORM L.—Reg. 24.

p. 84.

Friendly Societies Act, 1896.

Direction by the Chief Registrar to Transfer Stock.

Whereas it has been made to appear to me that stock, transferable at the Bank of England [*or* Ireland] is now standing in the names of and , as trustees of , a society registered under the Friendly Societies Act.

And that the said is absent from England [*or as the case may be*].

And that has been appointed trustee of the said society in place of the said .

(a) (*k*) I, as Chief Registrar of Friendly Societies, hereby direct, pursuant to s. 34 of the Friendly Societies Act, 1896, that the said sum of so standing in the books of the Governor and Company of the Bank of England [*or* Ireland] in the names of the said be transferred in the said books by the said into the names of the said *or* .

(b) And that there is no surviving or continuing trustee of the said society, *or* that the surviving and continuing trustees refuse *or* are unable to transfer the said stock in pursuance of my direction.

I, as Chief Registrar of Friendly Societies, hereby direct, pursuant to s. 34 of the Friendly Societies Act, 1896, that the said sum of so standing in the books of the Governor and Company of the Bank of England [*or* Ireland] be transferred in the said books by the accountant-general, or deputy, or assistant accountant-general of the said bank, into the names of the said .

Signature .

Address .

Date day of , 18 .

(*k*) The paragraphs marked (a) or (b) will be used as the case requires.

p. 154.

FORM M.—Reg. 26.

FRIENDLY SOCIETIES ACT, 1896.

Reference of a Dispute.

(To be signed in duplicate.)

Dispute between and [, an officer of] the Society.

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

The above-named parties, by consent, refer the dispute between them to the Chief Registrar [*or* to the Assistant Registrar for Ireland, *or* for Scotland, *as the case may be*].

Signed { ———[*Claimant.*]
{ ———[*Officer or trustees.*]

The said states as follows:—

1. That he is a member [*or* has for not more than six months ceased to be a member, *or* claims through a member, *or* through a person who has for not more than six months ceased to be a member *or* under the rules] of the said society.

2. That he claims to be entitled as follows [*give particulars of the claim*].

3. That the claim is proposed to be supported by the evidence of the following witnesses, and by the production of the following books and documents [*give lists*].

Signature .

Address .

Date , 18 .

The said , as an officer [*or* as trustees] of the said society, states [*or* state] as follows:—

That he [*or* the society] disputes the claim of the said on the following grounds [*state grounds of dispute*].

4. That his case [*or* the case of the society] is proposed to be supported by the evidence of the following witnesses, and by the production of the following books and documents [*give lists*].

Signature of the officer or signatures of trustees .

Registered office .

Date day of , 18 .

With the reference is to be sent the fee of 1*l.* prescribed by the Treasury Regulations.

* (Do the parties desire to attend before the Registrar, or do they wish for an award on this submission alone?)

FORM N.—Reg. 28. p. 154.

FRIENDLY SOCIETIES ACT, 1896.

Notice and Requisition.

Dispute between and [, an officer of] the Society.

Register No. [*add* Scotland *or* Ireland *where required*].

To .

Take notice that I shall proceed by myself [*or* by , Esq., Assistant Registrar] to hear and determine the matter in dispute, which has been referred to me pursuant to the said Act, on the day of next, at o'clock, at .

And that I shall require the attendance there of all parties concerned, and of the witnesses named, and the production of the books and documents specified in the statement made by you in the reference of the dispute.

Signature ,
Chief Registrar *or* Assistant Registrar for Scotland *or* Ireland.

Date day of , 18 .

FORM O.—Reg. 29. p. 154.

FRIENDLY SOCIETIES ACT, 1896.

Special Requisition to Witness.

Dispute between and [, an officer of] the Society.

Register No. [*add* Scotland *or* Ireland *where required*].

To .

Pursuant to s. 68 of the Friendly Societies Act, 1896, you are required to attend at on the day of next at o'clock, to give evidence relating to the matter in question, and to produce the following books and documents [*state them*].

Signed ,
Chief [*or* Assistant] Registrar.

Date day of , 18 .

N.B.—By the said Act it is enacted that "the chief or other registrar to whom any dispute is referred may administer oaths, and may require the attendance of all parties concerned, and of

witnesses, and the production of all books and documents relating to the matter in question; and any person refusing to attend, or to produce any documents, or to give evidence before such chief or other registrar, shall be guilty of an offence under this Act."

The penalty for such offence is not less than one pound nor more than five pounds, and a new offence is committed in every week during which the default continues.

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p. 159.

FORM P.—Reg. 30.

FRIENDLY SOCIETIES ACT, 1896.

Order for Discovery.

In the matter of a dispute between and [, an officer of] the Society, Register No. , referred to me pursuant to the Friendly Societies Act, 1896.

I, , Esq., Chief [*or* Assistant] Registrar, order and direct as follows:—

1. That within 14 days from the service of this order do deposit at my office [*state where*] for inspection by the parties the following documents [*state the documents*].

2. That on the day of next at o'clock [(*l*) an officer of the society] do appear before me at my office above named and make discovery upon oath of all things within his knowledge [(*l*) as such officer] relative to the following matters [*state the matters as to which discovery is granted*].

Given under my hand this day of , 18 .

Signature ,
Chief [*or* Assistant] Registrar.

N.B.—By the Friendly Societies Act, 1896, it is enacted that the chief or other registrar to whom any dispute is referred may grant to either party such discovery as to documents and otherwise, or such inspection of documents, as might be granted by any court of law or equity, such discovery to be made on behalf of the society by such officer of the same as such registrar may determine.

(*l*) These words will be omitted if the discovery is to be made by the other party to the dispute.

FORM Q.—Reg. 31. p. 159.

FRIENDLY SOCIETIES ACT, 1896.

Warrant for Recovery of Documents in Scotland.

In the matter of a dispute between and [, an officer of] the Society.

Register No. (Scotland).

I, , Assistant Registrar for Scotland, order and direct as follows:—

That within fourteen days from the service of this order do deposit at my office [*state where*] for inspection by the parties the following documents [*state the documents*].

Given under my hand this day of , 18 .

Signature ,

Assistant Registrar for Scotland.

N.B.—By the Friendly Societies Act, 1896, it is enacted that the chief or other registrar to whom any dispute is referred in Scotland may grant [such] warrant for the recovery of documents as might be granted by any court of law or equity.

FORM R.—Reg. 31. p. 159.

FRIENDLY SOCIETIES ACT, 1896.

Warrant for Recovery of Documents and Examination of Havers in Scotland.

In the matter of a dispute between and [, an officer of] the Society.

Register No. (Scotland).

I, , Assistant Registrar for Scotland, order and direct as follows:—

That on the day of next at o'clock, do appear before me at , and do bring with him, exhibit and produce before me, upon oath, the books, writings, and documents contained in the specification prefixed hereto; and do declare upon oath where and in whose hands, custody, or keeping all or any books, writings, or documents are or may be relating to the following matters [*state the matters*].

Given under my hand this day of , 18 .

Signature ,

Assistant Registrar for Scotland.

N.B.—By the Friendly Societies Act, 1896, it is enacted that "the chief or other registrar to whom any dispute is referred

may administer oaths, and may require the attendance of all parties concerned, and of witnesses, and the production of all books and documents relating to the matter in question; and any person refusing to attend, or to produce any documents, or to give evidence before such chief or other registrar, shall be guilty of an offence under this Act."

The penalty for such offence is not less than one pound or more than five pounds, and a new offence is committed in every week during which the default continues.

The chief or other registrar in Scotland may grant [such] warrant for the recovery of documents and examination of havers as might be granted by any court of law or equity.

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p. 155.

FORM S.—Reg. 32.

FRIENDLY SOCIETIES ACT, 1896.

Determination and Order.

In the matter of a dispute between and [, officer of *or*] the Society, Register No. [*add* Scotland *or* Ireland *where required*], referred to me pursuant to the Friendly Societies Act.

I, , Esq., Chief [*or* Assistant] Registrar, order and determine as follows:—

The said [*or* the trustees of the society] shall, on or before the day of next, pay to the sum of [*or* the society (*or name of party*)] shall, on or before the day of next, reinstate the said as a member [*or whatever the act may be that the registrar thinks ought to be done by the party. Other provisions may here be added if necessary, and the payment of a sum of money by way of damages may be provided for as an alternative to the doing of any act*]:

Or The society is not indebted to [*name of party, or as the case may require.*]

The expenses hereof are ordered to be paid out of the funds of the society [*or as the case may be*].

Given under my hand this day of , 18 .

Signature ,

Chief [*or* Assistant] Registrar.

N.B.—Under the Friendly Societies Act, 1896, application for the enforcement of this order may be made to the county court, as defined by the said Act.

FORM T.—Reg. 33. p. 160.

FRIENDLY SOCIETIES ACT, 1896.

(To be sent in duplicate accompanied by Form U.)

Application for Approval of Change of Name and Registry of Special Resolution.

Name already registered .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Chief Registrar [*or* Assistant Registrar for Ireland or Scotland, *as the case may be*] and Central Office.

Application for approval of a change of name of the above-mentioned society, and for registry of a special resolution to that effect is made by the three persons whose names are subscribed at the foot hereof.

The following is a copy of a special resolution passed by the votes of three-fourths of the members present and entitled to vote at a general meeting of the society, of which notice was duly given, held on the day of , 18 , and confirmed by a majority of the members present and entitled to vote at a subsequent general meeting, of which notice was duly given, held on the day of , 18 , (*m*) pursuant to s. 74 of the Friendly Societies Act, 1896.

[*The resolution to be copied at length.*]

With this application is sent the fee of 10*s.* prescribed by the Treasury Regulations.

——Secretary { —— { Chairman of the first general meeting. —— { Chairman of the subsequent general meeting.

Registered office .

Date day of , 18 .

(*m*) The second meeting must be held not less than fourteen days, nor more than one month, after the first.

pp. 160, 162, 168.

FORM U.—Regs. 33, 34, 35, 42, 43.

FRIENDLY SOCIETIES ACT, 1896.

Declaration to accompany Application for Registry of a Special Resolution.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

County of to wit.

I, , of , an officer of the above-named society, do solemnly and sincerely declare that in making the special resolution, application for registry of which is appended to this declaration, the provisions of s. 74 of the Friendly Societies Act, 1896, have been duly complied with.

And I make, &c. [*as in Form C.*, p. 507].

In the case of an amalgamation of societies a declaration must be made by the secretary of each society.

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pp. 161, 168.

FORM V.—Regs. 34, 43.

FRIENDLY SOCIETIES ACT, 1896.

(To be sent in duplicate by each society, accompanied by Form U.)

Application for Registry of Special Resolution for Amalgamation of Societies.

(*n*) Name of society (A) .

Register No. . [*If the society is registered in Scotland or Ireland, add the words* Scotland *or* Ireland, *or as the case may be.*]

Name of society (B) .

Register No. . [*If the society is registered in Scotland or Ireland, add as before.*]

[*And so on if more than two.*]

(*n*) As this application must be made by each society, the order in which the societies are named must be inverted or changed in each application.

To the Central Office.

Application for registry of a special resolution for the amalgamation of the above-mentioned societies is made by the three persons whose names are inscribed at the foot hereof.

1. The following is a copy of a special resolution passed by the votes of three-fourths of the members present and entitled to a vote at a general meeting of the (*A*) , of which notice was duly given, held on the day of , 18 , and confirmed by a majority of the members present and entitled to vote at a subsequent general meeting, of which notice was duly given, held on the day of , 18 (*o*), pursuant to s. 74 of the Friendly Societies Act, 1896.

[*The resolution to be copied at length.*]

2.(*p*) The number of votes to which all the members of the (*A*) Society are entitled pursuant to s. 70 of the said Act is ; the number of votes of the members who assented at the said meeting is ; and the written consents of members entitled to votes, and of every person for the time being, receiving or entitled to any relief, annuity, or other benefit from the funds of the society are appended hereto (except the consents of , whose claims have been duly satisfied or have been provided for [*state in what manner such provision has been made*]).

3. With this application is sent the fee of 10*s*. prescribed by the Treasury Regulations.

_____ { Chairman of the first general meeting.

_____ { Secretary of the first-named society.

_____ { Chairman of the subsequent general meeting.

Registered office [*of the A*] } _____

Date day of 18 .

(*o*) The second meeting must be held not less than fourteen days, nor more than one month, after the first.

(*p*) This will only be necessary when the society is a friendly society, and the consents or any of them have not been dispensed with by the chief registrar.

pp. 162, 168.

FORM W.—Regs. 35, 43.

FRIENDLY SOCIETIES ACT, 1896.

(To be sent in duplicate, accompanied by Forms U and X.)

Application for Registry of a Special Resolution for Transfer of Engagements.

Name of society transferring its engagements .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Name of society undertaking to fulfil transferred engagements .

Register No. . [*If the society is registered in Scotland or Ireland, add as before.*]

To the Central Office.

Application for registry of a special resolution for transfer of engagements of the first-named society is made by the (*q*) persons whose names are subscribed.

1. The following is a copy of a special resolution passed by the votes of three-fourths of the members present and entitled to vote at a general meeting of the first-named society, of which notice was duly given, held the day of , 18 , and confirmed by a majority of the members present and entitled to vote at a subsequent general meeting of which notice was duly given, held on the day of , 18 (*r*), pursuant to s. 74 of the Friendly Societies Act, 1896.

[*The resolution to be copied at length.*]

2. [*As in Form V., clause* 2 (p. 529), *if necessary.*]

3. The last-named society has [*state in what manner*] undertaken to fulfil the engagements of the first-named society, as

(*q*) The number will vary according to that of the trustees of the society undertaking to fulfil transferred engagements.

(*r*) The second meeting must be held not less than fourteen days, nor more than one month, after the first.

testified by the signatures of the trustees and secretary of the said last-named society to this application, and by the declaration of the secretary of the same sent with this application.

4. With this application is sent the fee of 10*s*. prescribed by the Treasury Regulations.

_____ { Chairman of the first general meeting.

_____ { Secretary of the first-named society.

_____ { Chairman of the subsequent general meeting.

_____ { Trustees of the last-named society.

_____ { Secretary of the last-named society.

Registered office of transferring society } _____

Date day of , 18 .

FORM X.—Reg. 35. p. 162.

FRIENDLY SOCIETIES ACT, 1896.

Declaration by Officer of Society accepting Transfer of Engagements.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

County of to wit.

I, , of , an officer of the above-named society, do solemnly and sincerely declare that by a resolution of a meeting of the society held on the day of at [*or as the case may be, stating by what authority the transfer is accepted*] the society has undertaken to fulfil all the engagements of the Society, Register No. [*add* Scotland *or* Ireland *if required*].

And I make, &c. [*as in Form C.*, p. 507.]

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p. 164.

FORM Y.—Reg. 36.

FRIENDLY SOCIETIES ACT, 1896.

Advertisement of Application for Dispensing with Consents or Conditions for Amalgamation or Transfer of Engagements.

Notice is hereby given that the Society, Registered No. [*adding* Scotland *or* Ireland *where required*], whose registered office is at , in the county of , desires to amalgamate with [*or* transfer all its engagements to] the Society, Register No. [*adding* Scotland *or* Ireland *where required*], [*or* the , a company under the Companies Acts]. And that on the day of the trustees [*or* committee of management] of the first-named society intend to apply to the chief registrar that the following consents and conditions prescribed by the Friendly Societies Act, 1896, for an amalgamation or transfer of engagements may be dispensed with, viz. [*state what consents and conditions*].

Signed ——— } Trustees [*or* Members
——— } of the Committee of
——— } Management].

(To be published in "Gazette" at least one calendar month before application.)

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p. 164.

FORM Z.—Reg. 37.

FRIENDLY SOCIETIES ACT, 1896.

Application for Dispensing with Consents or Conditions for Amalgamation or Transfer of Engagements.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Application is made by the trustees [*or* committee of management] of the above-named society for the purpose herein-after mentioned.

1. The above-named society desires to amalgamate with [*or* transfer all its engagements to] the Society, Register No. [*add* Scotland *or* Ireland *where required*], [*or* the Company, a company under the Companies Acts].

2. The trustees [*or* committee of management] of the first-named society hereby apply to the chief registrar that the following consents and conditions prescribed by the Friendly Societies Act for an amalgamation or transfer of engagements may be dispensed with, viz. [*state what consents and conditions*].

3. Notice of the intention to make the present application was advertised in the ["London, Edinburgh, *or* Dublin Gazette," *as the case may be*], on the day of , being one calendar month previous to the date of this application, and a copy of the "Gazette" in which such notice appears is sent herewith.

Signed ——— } Trustees [*or* Members
——— } of the Committee of
——— } Management].

Dated day of , 18 .

FORM AA.—Reg. 42. p. 168.

FRIENDLY SOCIETIES ACT, 1896.

(To be sent in triplicate, accompanied by Forms U and AC.)

Application for Registry of Special Resolution for Conversion into a Company.

Name of society .
Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Central Office.

Application for registry of a special resolution for conversion of the above-mentioned society into a company is made by the three persons whose names are subscribed at the foot hereof.

The following is a copy of a special resolution passed by the votes of three-fourths of the members present and entitled to a vote at a general meeting of the said society, of which notice was duly given, held on the day of , 18 , and confirmed by a majority of the members present and entitled to vote at a subsequent general meeting of which notice was duly given, held

on the day of , 18 (*s*), pursuant to s. 74 of the Friendly Societies Act, 1896.

[*The resolution to be copied at length.*]

With this application is sent the fee of 10*s*. prescribed by the Treasury Regulations.

_____ } Chairman of the first general meeting.

———, Secretary.

_____ } Chairman of the subsequent general meeting.

Registered office .

Date day of , 18 .

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p. 168.

FORM AC.—Reg. 43.

FRIENDLY SOCIETIES ACT, 1896.

Declaration by Officer of Company amalgamating or accepting Transfer of Engagements.

Name of company .

County of to wit.

I, , of , an officer of the above-named company, do solemnly and sincerely declare that by a resolution of a special general meeting of the company, held on the day of at [*or as the case may be, stating by what authority the amalgamation is agreed to or the transfer of engagements accepted*], the company has agreed to an amalgamation with [*or* undertaken to fulfil the engagements of] the Society, Register No. [*add* Scotland *or* Ireland, *if required*].

And I make, &c. [*as in Form C.*, p. 507].

(*s*) The second meeting must be held not less than fourteen days, nor more than one month, after the first.

FORM AD.—Reg. 48. p. 179.

FRIENDLY SOCIETIES ACT, 1896.

Application under Special Powers of Registrar.

(To be sent in duplicate, accompanied by Form AE.)

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Application made pursuant to s. 76 of the Friendly Societies Act, 1896.

1. The above-mentioned society has members.
2. This application is signed by one-fifth of the members [*or* by 100 members *if the whole number amounts to* 1,000. *and does not exceed* 10,000; *or* 500 members *if the whole number exceeds* 10,000].
3. The application is that the chief registrar [*or* assistant registrar for Scotland, *or* for Ireland] may appoint inspectors [*or* may call a special meeting], pursuant to the said section.
4. The grounds of the application are as follows [*state the grounds fully*].
5. The applicants are prepared to support the application by the following evidence, for the purpose of showing that they have good reason for making the application, and are not actuated by malicious motives in doing so, viz., a statutory declaration hereto annexed by [*names*] three of the present applicants, and [*here state the nature of the evidence proposed to be given*].
6. The applicants are prepared, if required, to give security for costs to the extent of [*state amount*].
7. With this application is sent the fee of 1*l.* prescribed by the Treasury Regulations.

(*t*) Signatures of applicants

Address to which communications are to be sent

Date day of 18 .

(*t*) Signatures by mark only must be attested by a witness not being one of the applicants.

p. 179.

FORM AE.—Reg. 48.

FRIENDLY SOCIETIES ACT, 1896.

Declaration in Support of Application under Special Powers of Registrar.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

County of to wit.

We, three of the members of the above-named society, do solemnly and sincerely declare that the persons whose signatures are appended to the application, a copy of which is hereto annexed, are to the best of our knowledge and belief *bonâ fide* members of the society, and that we are not, nor to the best of our knowledge and belief is any person whose signature is appended to such application, actuated by malicious motives, and that to the best of our knowledge and belief there is good reason for making such application.

And we make, &c. [*as in Form C., p.* 507].

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p. 179.

FORM AF.—Reg. 50.

FRIENDLY SOCIETIES ACT, 1896.

Appointment of Inspectors.

Name of society .

Register No. . [*Add* Scotland *or* Ireland *where required.*]

Pursuant to s. 76 of the Friendly Societies Act, 1896, I hereby appoint [and], inspector [*or* inspectors] to examine into the affairs of the above-mentioned society and to report thereon.

One copy of the application for inspection is sent herewith for the guidance of the inspector [*or* inspectors].

He [*or* they] may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents, and servants in relation to its business, and may administer such oath.

The inspection is to commence on the day of next at o'clock, and to be held at .

Signature

Chief Registrar.

[*or* Assistant Registrar for Scotland *or* Ireland].

Date day of 18 .

FORM AG.—Reg. 51. p. 180.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Special Meeting to be held by a Registrar's Direction.

[*To be given either by letter addressed to every member, or by advertisement, or in such other manner as the chief or assistant registrar directs.*]

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Notice is hereby given that a special meeting of the above-mentioned society will be held by direction of the chief registrar [*or* assistant registrar for Scotland *or* for Ireland] pursuant to s. 76 of the Friendly Societies Act, 1896, on the day of next, at o'clock, at which meeting shall appoint its own chairman, and shall then proceed to discuss and determine on the following matters [*state them*].

Signature
Chief Registrar.
[*or* Assistant Registrar for Scotland *or* Ireland].

Date day of 18 .

FORM AH.—Reg. 52. p. 181.

FRIENDLY SOCIETIES ACT, 1896.

Report by Chairman of Special Meeting.

Address .
Date .

To the chief registrar of friendly societies [*or* to the assistant registrar of friendly societies for Scotland *or* Ireland, *as the case may be*].

I have to report that at the special meeting of the society held by your direction at on the day of the following resolution was [*or* resolutions were] passed [*state resolution or resolutions, and any other matters which the writer may think proper to report*].

(Signed)
Chairman of special meeting.

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p. 182.

FORM AI.—Reg. 53.

FRIENDLY SOCIETIES ACT, 1896.

Request to Cancel Registry.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the chief registrar [*or in the case of a society registered and doing business in Scotland or Ireland exclusively,* to the assistant registrar for Scotland *or* Ireland, *as the case may be*].

1. The above-mentioned society desires that its registry under the Friendly Societies Acts may be cancelled on the following ground, viz. [*state reason for desiring cancelling of registry, as, for instance,* that it is a branch of the which has been registered as a single society, *or as the case may be*] and at a general meeting (*u*) duly held on the day of 18 : It was resolved as follows:—

"That the trustees be authorised to request the chief [*or* assistant] registrar to cancel the registry of this society."

2. This request is made by the trustees accordingly.

3. It is desired that notice of such cancelling be published in the [*naming some newspaper in general circulation in the neighbourhood of the registered office of the society*].

4. The sum of , being the cost of publishing such notice in the said newspaper, and the further sum of for the cost of publishing the same in the Gazette, are herewith transmitted.

_____
_____ } Trustees.
_____

Registered office,

Date day of 18 .

(*u*) If not at a general meeting, state in what manner the request has been determined upon.

FORM AK.—Reg. 55. p. 183.

FRIENDLY SOCIETIES ACT, 1896.

Notice before Cancelling or Suspension of Registry.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Notice is hereby given to the above-mentioned society, that it is the intention of the chief registrar [*or* assistant registrar for Scotland *or* Ireland, *as the case may be*] to proceed on the (*v*) day of , 18 , to cancel [*or* to suspend for *any term not exceeding* three months] the registry of the society, unless cause be shown to the contrary in the meantime.

The ground of such proposed cancelling [*or* suspension] is that the acknowledgment of registry has been obtained by fraud [*or* issued in mistake, *or* that the society exists for an illegal purpose, *or* has wilfully and after notice from me violated the provisions of the Friendly Societies Act, *or* has ceased to exist. *The facts should be briefly specified where practicable*].

Signature,
Chief Registrar [*or* Assistant Registrar, for Scotland *or* Ireland].

Date day of , 18 .

FORM AL.—Reg. 56. p. 181.

FRIENDLY SOCIETIES ACT, 1896.

Cancelling of Registry.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

The registry of the above-mentioned society is hereby cancelled at its request [*or as the case may be. The registrar may, if he thinks fit, add a statement as in Form AK. of the ground of the cancelling*].

Signature
Chief Registrar.
[*or* Assistant Registrar for Scotland *or* Ireland].

Date day of , 18 .

(*v*) This will be not less than two months after the date of the notice.

p. 183.

FORM AM.—Reg. 57.

FRIENDLY SOCIETIES ACT, 1896.

Suspension or Renewal of Suspension of Registry.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

The registry of the above-mentioned society is hereby [further (*x*)] suspended for [*any term not exceeding*] three months from this date on the ground that [*here state the ground of suspension as in Form AK.* (p. 539)].

Signature ,
Chief Registrar.
[*or* Assistant Registrar for Scotland *or* Ireland].

Date day of 18 .

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p. 183.

FORM AN.—Reg. 58.

FRIENDLY SOCIETIES ACT, 1896.

Advertisement of Cancelling or Suspension.

Notice is hereby given that the Chief Registrar of Friendly Societies [*or* Assistant Registrar of Friendly Societies for Ireland *or* for Scotland] has, pursuant to s. 77 of the Friendly Societies Act, 1896, by writing under his hand, dated the day of , 18 , CANCELLED [*or* SUSPENDED for (*state the term*)] the REGISTRY of the Society, Register No. [*adding* Scotland *or* Ireland *where required*], held at , in the county of .

[*Here state the ground for cancelling or suspension.*]

The society (subject to the right of appeal given by the Act) ceases to enjoy [during such suspension] the privileges of a registered society, but without prejudice to any liability incurred by the society, which may be enforced against it as if such cancelling [*or* suspension] had not taken place.

[Signature of Chief Registrar *or* Assistant Registrar for Scotland *or* Ireland.]

(*x*) This word will be inserted only in case of renewal of suspension.

FORM AO.—Reg. 60. p. 191.

FRIENDLY SOCIETIES ACT, 1896.

Instrument of Dissolution.

(To be signed in duplicate and accompanied by Form AP.)

Name of society .

Register No. . [England, Scotland, *or* Ireland.]

Instrument of dissolution of the above-named society, made the day of 18 , pursuant to s. 79 of the Friendly Societies Act, 1896, and the Treasury Regulations.

It is declared and agreed as follows:—

1. This instrument is signed by [*in the case of a society not a Friendly Society,* three-fourths of the members; *but in the case of a Friendly Society*] five-sixths in value (*y*) of the members (including honorary members, if any) and by every person for the time being receiving or entitled to receive any relief, annuity, or other benefit from the funds of the society [except whose claims have been duly satisfied *or* have been provided for (*z*)].

2. The liabilities and assets of the society are the following (*a*):—

3. The number of members is , and the nature of their interests in the society respectively is as follows:—

4. The society has no creditors (*b*).

5. The funds and property of the society shall be appropriated and divided in the following manner [*or* in such manner as the chief registrar may award. *If left to the award of the chief registrar, add* The prescribed fee is sent herewith].

6. It is desired that this instrument be advertised in the [*state some newspaper in general circulation in the neighbourhood of the registered office of the society*] as well as in the London

(*y*) The value of members is ascertained by giving one vote to every member, and an additional vote for every five years that he has been a member, but to no one member more than five votes in all.

(*z*) State in what manner such provision has been made.

(*a*) Here set them forth in detail. State whether any part of the funds is in the Post Office Savings Bank.

(*b*) Or if there be any, state the amount due to them, and the provision to be made for its payment.

[Edinburgh *or* Dublin] Gazette, and the cost of such advertisements is herewith transmitted.

[*Here insert any other provisions the society desires to make as to the dissolution.*]

Signatures of members. Number of votes of each member.

Signatures of persons receiving or entitled to receive any relief, annuity, or other benefit from the funds of the society.

Schedule.

List of members who have not signed the foregoing instrument—

Number of votes of each.

N.B.—*All signatures by mark only must be attested by a witness who does not sign as a member.*

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p. 191.

FORM AO*b*.—Reg. 60.

FRIENDLY SOCIETIES ACT, 1896.

Instrument of Dissolution of Branch.

(To be signed in duplicate and accompanied by Form AP.)

Name of society .

Register No. . [England, Scotland, *or* Ireland.]

Name and number (if any) of branch .

Instrument of dissolution of the above-named branch made the day of , 18 , pursuant to s. 79 of the Friendly Societies Act, 1896, and the Treasury Regulations.

It is declared and agreed as follows:—

1. This instrument is signed by five-sixths in value (*c*) of the members (including honorary members, if any) and by every person for the time being receiving or entitled to receive any relief, annuity, or other benefit from the funds of the branch [except whose claims have been duly satisfied or have been provided for (*d*)].

(*c*) The value of members is ascertained by giving one vote to every member, and an additional vote for every five years that he has been a member, but to no one member more than five votes in all.

(*d*) State in what manner such provision has been made.

2. The liabilities and assets of the branch are the following:—(*e*)

3. The number of members is , and the nature of their interests in the branch respectively is as follows:—

4. The branch has no creditors (*f*).

5. The funds and property of the branch shall be appropriated and divided in the following manner [*or* in such manner as the chief registrar may award. *If left to the award of the chief registrar, add* The prescribed fee is sent herewith].

6. It is desired that this instrument be advertised in the [*state some newspaper in general circulation in the neighbourhood of the registered office of the branch*] as well as in the London [Edinburgh *or* Dublin] Gazette, and the cost of such advertisements is herewith transmitted.

[*Here insert any other provisions the branch desires to make as to the dissolution.*]

Signatures of members. Number of votes of each member.

Signatures of persons receiving or entitled to receive any relief, annuity, or other benefit from the funds of the branch.

Schedule.

List of members who have not signed the foregoing instrument—

Number of votes of each.

N.B.—*All signatures by mark only must be attested by a witness who does not sign as a member.*

The consent of the central body of the society has been given to the dissolution.

Signature of the secretary of the society .

Date day of , 18 .

(*e*) Here set them forth in detail. State if any part of the funds is in the Post Office Savings Bank.

(*f*) Or if there be any, state the amount due to them, and the provision to be made for its payment.

p. 191.

FORM AP.—Reg. 60.

FRIENDLY SOCIETIES ACT, 1896.

Declaration to accompany Instrument of Dissolution of Society or Branch.

Name of society [*and* name and No., *if any,* of branch] .

Register No. of society . [*If the society* (*or branch*) *is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

County of to wit.

I, , of , one of the trustees [*or* we, , , and three members, and , the secretary] of the above-named society [*or* branch] do solemnly and sincerely declare that in making the instrument of dissolution [*or* the alteration of the instrument of dissolution] appended to this declaration the provisions of the Friendly Societies Act, 1896, have been complied with.

And I [*or* we] make, &c. [*as in Form C.*, p. 507].

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p. 191.

FORM AQ.—Reg. 61.

FRIENDLY SOCIETIES ACT, 1896.

Acknowledgment of Registry of Instrument (*or alteration of Instrument*) *of Dissolution.*

Name of society [*and* name and No., *if any,* of branch] .

Register No. of society . [*Add* Scotland *or* Ireland *where required.*]

The foregoing instrument of dissolution [*or* alteration of the instrument of dissolution] of the above-named society [*or* branch] is registered under the Friendly Societies Act, 1896, this day of , 18 .

[Seal or stamp of Central Office,

or

Signature of Assistant Registrar for Scotland *or* Ireland.]

FORM AR.—Reg. 63. p. 191.

FRIENDLY SOCIETIES ACT, 1896.

Advertisement of Dissolution by Instrument.

Notice is hereby given that the [branch of the] society, register No. [*add* Scotland *or* Ireland *where required*], held at in the county of is dissolved by instrument, registered at this office the day of , unless within three months from the date of the Gazette in which this advertisement appears proceedings be commenced by a member or other person interested in or having any claim on the funds of the society [*or* branch] to set aside such dissolution, and the same is set aside accordingly.

[Signature of Chief Registrar, *or* Assistant Registrar for England for the Central Office, *or* of Assistant Registrar for Scotland *or* Ireland.]

28, Abingdon Street, Westminster
[*or as the case may be*].
Date day of .

FORM AS.—Reg. 64. p. 192.

FRIENDLY SOCIETIES ACT, 1896.

Award for Distribution of Funds of Society.

Name of society .
Register No. . [*Add* Scotland *or* Ireland *where required.*]
Pursuant to s. 79 of the Friendly Societies Act, 1896, and to the instrument of dissolution of the said society, registered on the day of 18 , I hereby award and direct that the assets of the society shall be divided and appropriated in the following manner:—

Signed
Chief Registrar.

Address
Date day of .

---

p. 198.

FORM AT.—Reg. 65.

FRIENDLY SOCIETIES ACT, 1896.

Application to Chief Registrar for Award of Dissolution of Society.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Application for an award of dissolution of the above-mentioned society is made by the members whose names are subscribed at the foot hereof.

1. The society consists of members, one-fifth of the whole number of whom [*or* 100 or more of whom *if the society has* 1,000 *members and not exceeding* 10,000 *or* 500 or more of whom *if the society has more than* 10,000 *members*] have signed this application.

2. The funds of the society are insufficient to meet the existing claims thereon [*or* the rates of contribution fixed in the rules of the society are insufficient to cover the benefits assured].

3. The grounds upon which such insufficiency is alleged are as follows:—[*state grounds*].

4. The chief registrar is hereby requested to make or cause to be made, pursuant to s. 80 of the Friendly Societies Act, 1896, an investigation into the affairs of the society with a view to the dissolution thereof.

5. It is desired that notice of the award of dissolution be published in the [*naming some newspaper in general circulation in the neighbourhood of the registered office of the society*].

6. The sum of , being the cost of publishing such notice in the said newspaper, and the further sums of for the cost of publishing the same in the Gazette, and 1*l.*, the fee for the award prescribed by the Treasury Regulations, are herewith transmitted.

Signatures of members (*g*) .

Registered office .

Date day of , 18 .

(*g*) Any signature by mark only must be attested by a witness who does not sign as a member.

FORM AU.—Reg. 66. p. 198.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Investigation.

Name of society .

Register No. . [*Add* Scotland *or* Ireland, *where required.*]

Notice is hereby given that the chief registrar will proceed by himself [*or* by the actuary to the central office *or* by (*name of*) assistant registrar, *or* actuary, *or* public auditor, whom the chief registrar hereby appoints for the purpose] to investigate the affairs of the above-mentioned society, in compliance with an application in that behalf made pursuant to s. 80 of the Friendly Societies Act, 1896, on the day of , 18 (*two months at least after the date of the notice*), at o'clock, at , in the county of , and he hereby directs that in the event of an award of dissolution being made, the date of the said investigation shall be the date at which all contributions and benefits shall cease.

Signed

Chief Registrar.

Address .

Date day of , 18 .

(To be addressed to the society at its registered office.)

FORM AV.—Reg. 66. p. 198.

FRIENDLY SOCIETIES ACT, 1896.

Award of Dissolution of Society.

Name of society .

Register No. .

Pursuant to s. 80 of the Friendly Societies Act, 1896, I hereby award that the shall be dissolved and its affairs wound up as from the day of , and I direct that the assets of the said society shall be divided and appropriated in the following manner:—

Signed

Chief Registrar.

Address .

Date day of , 18 .

p. 198.

FORM AW.—Reg. 67.

FRIENDLY SOCIETIES ACT, 1896.

Advertisement of Dissolution of Society by Award.

Notice is hereby given that on the day of the chief registrar signed an award for the dissolution of the society, register No. [*add* Scotland *or* Ireland *where required*], held at in the county of and that such society is thereby dissolved, unless within three months from the date of the Gazette in which this advertisement appears proceedings be commenced by a member or other person interested in, or having any claim on the funds of the society to set aside such dissolution, and the same be set aside accordingly.

_____ [Signature of Chief Registrar *or* Assistant Registrar for England for the Central Office, *or* of Assistant Registrar for Scotland or Ireland.]

28, Abingdon Street, Westminster,
[*or as the case may be*].
Date day of 18 .

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p. 201.

FORM AX.—Reg. 68.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Proceeding to set aside Dissolution of Society [or Branch].

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Name [and number (if any)] of branch .

Registered office of branch . [*If in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Central Office .

Whereas on the day of the above-named society [*or* the above-named branch] was dissolved [*or* purported to be dissolved] by an instrument of dissolution purporting to be duly registered.

I hereby give you notice that I intend, after not less than seven days from the date hereof, to take proceedings for setting aside such dissolution in the County Court [*or* Sheriff Court, *or* Recorder's Court, *as the case may be*].

Dated day of , 18 .

Signed

Address

FORM AY.—Reg. 68. p. 201.

FRIENDLY SOCIETIES ACT, 1896.

Notice of Order to set aside Dissolution.

Name of society .

Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

Name [and number (if any)] of branch .

Registered office of branch . [*If in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Central Office .

Whereas on the day of the above-named society [*or* the above-named branch] was dissolved or purported to be dissolved by an instrument of dissolution purporting to be duly registered.

The above-named society [*or* branch] hereby gives you notice that by an order of the County Court [*or* Sheriff Court, *or* Recorder's Court], dated the day of , copy whereof is hereto annexed, the dissolution of the said society [*or* branch] was set aside.

———
———
——— } Trustees.

, Secretary.

Registered office .

Date day 18 .

[This notice must be sent within seven days after the order to set aside dissolution is made. A copy of the order is to be annexed.]

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p. 52.

FORM CI.—*Alternative to* FORM C.

FRIENDLY SOCIETIES ACT, 1896.

Information to obtain Registry of an Amendment of Rules required by the Registrar for the Purposes of the Act.

Name of society .

Register No. . County .

I, , of , secretary of the above-named society, hereby inform the registrar, as required by him for the purposes of the Friendly Societies Act, that the amendment of the rules of the said society, herewith sent for registry, has been duly made in conformity with the rules of the society in that behalf, and that, to the best of my knowledge and belief, the same is not contrary to the provisions of the Act.

And I, , of , one of the trustees of the society, hereby inform the registrar, as required by him for the purposes of the Friendly Societies Act, that the above-mentioned is the secretary of the society.

Signed

Signed

[*Sections* 84 (*b*) (*c*), 88, 89, *of the Act are to be printed at foot.*]

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p. 62.

FORM CbI.—*Alternative to* FORM Cb.

FRIENDLY SOCIETIES ACT, 1896.

Information to obtain Registry of an Amendment of Branch Rules required by the Registrar for the Purposes of the Act.

Name of order .

Name and No. of branch . County .

I, , of , secretary of the above-mentioned branch, hereby inform the registrar, as required by him for the purposes of the Friendly Societies Act, that the amendment of the rules of the said branch herewith sent for registry has been duly made in conformity with the rules of the branch and of the order in that behalf, and that, to the best of my knowledge and belief, the same is not contrary to the provisions of the Act.

And I, , of , the [district] secretary of the above-mentioned order, hereby inform the registrar, as required by him for the purposes of the Friendly Societies Act, that the above-mentioned is the secretary of the said branch.

Signed

Signed

[*Sections of the Act to be printed as in Form CI.*, p. 550.]

FORM UI.—*Alternative to* FORM U. pp. 160, 162, 168.

FRIENDLY SOCIETIES ACT, 1896.

Information to obtain Registry of a Special Resolution required by the Registrar for the Purposes of the Act.

Name of society .

Register No. . County .

I, , of , secretary of the above-mentioned society, hereby inform the registrar, as required by him for the purposes of the Friendly Societies Act, that in making the special resolution herewith sent for registry, the provisions of s. 74 of the Friendly Societies Act, 1896, have been duly complied with.

And I, &c. [*As in Form CI.*, p. 550.]

Signed

Signed

[*Sections of Act as in Form CI.*, p. 550.]

FORM XI.—*Alternative to* FORM X. p. 162.

FRIENDLY SOCIETIES ACT, 1896.

Information to obtain Registry of Transfer of Engagements required by the Registrar for the Purposes of the Act.

Name of society .

Register No. . County .

I, of , secretary of the above-named society, hereby inform the registrar, as required by him for the purposes of the Friendly Societies Act, that the said society has undertaken to fulfil all the engagements of the society, register No. , in the following manner. [*State in what manner and by what authority the transfer has been accepted.*]

And I, &c. [*As in Form CI.*, p. 550.]

Signed

Signed

[*Sections of Act as in Form CI.*]

41.

FORM *appended to* Reg. 76.

FRIENDLY SOCIETIES ACT, 1896, AND SHOP CLUBS ACT, 1902.

Application to Register a Society and for Certificate.

Name of society .

[Has the society ever had any rules registered, certified, or enrolled?—(*Answer*) .]

Nature of employment .

Situation of works .

1. This application is made by the undersigned employer and workmen.

ate how thority was ven.

2. The undersigned workmen have been authorised to join in it by being not less than three-fourths of the total number of workmen in the employment.

ne statement ould be thenti- ted.

3. The society is a friendly society.

4. The following are the benefits provided by the rules at the cost of the employer.

5. The contribution of the employer is to be .

6. The society is of a permanent character and is not a society that annually or periodically divides its funds.

7. The rights of a member leaving the employment are as follows:—

8. The matters required to be set forth in the rules are provided for in the manner shown by the subjoined schedule:—

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(i) The name and place of office of the society, and the sending to the registrar notice of any change thereof within 14 days.	(i)
(ii) The whole of the objects for which the society is to be established, the purposes for which the funds thereof shall be applicable, the terms of admission of members, the conditions under which any member may become entitled to any benefit assured thereby, and the fines and forfeitures to be imposed on any member, and the consequences of non-payment of any subscription or fine.	(ii)
(iii) The mode of holding meetings and right of voting and the manner of making, altering, or rescinding rules, and the supplying every person on demand with a copy of the rules at a price not exceeding 1s.	(iii)

Matters required to be set forth in the rules.	Numbers of the rules in which these matters are provided for.
(iv) The appointment and removal of a committee of management, of a treasurer, and other officers, and of trustees, and the sending to the registrar notice of every appointment of a new trustee within 14 days.	(iv)
(v) The investment of the funds, the keeping of the accounts, and the audit of the same once a year at least.	(v)
(vi) Annual returns in the prescribed form to the registrar of the receipts, funds, effects, and expenditure, and number of members of the society before the 1st of June in every year.	(vi)
(vii) The inspection of the books of the society by every person having an interest in the funds of the society.	(vii)
(viii) The manner in which disputes shall be settled.	(viii)
(ix) The keeping separate accounts of all moneys received or paid on account of every particular fund or benefit assured for which a separate table of contributions payable shall have been adopted, and the keeping separate account of the expenses of management and of all contributions on account thereof.	(ix)
(x) A valuation once at least in every five years of the assets and liabilities of the society, including the estimated risks and contributions.	(x)
(xi) The voluntary dissolution of the society by consent of not less than five-sixths in value of the persons contributing, testified by their signatures to the instrument of dissolution, and of every person for the time being entitled to any benefit from the funds of the society, unless his claim be first satisfied or adequately provided for.	(xi)
(xii) The right of one-fifth of the total number of members [*or* of one hundred members if the society have 1,000 and not exceeding 10,000, *or* of 500 members if the society have more than 10,000] to apply for an investigation of the affairs or the calling of a special meeting of the society, or for winding up the same.	(xii)

With this application are sent—

Two printed copies of the rules signed by each of the applicants.

Signed 1.———, employer.
2.———, workman.
3.———, „
4.———, „
5.———, „
6.———, „
7.———, „
8.———, „

List of the Names of the Secretary and of every Trustee of the Society.

(The secretary or treasurer cannot be a trustee.)

Name in full of secretary .
Postal address .

Name in full of first trustee .
Address .
Occupation .

Name in full of second trustee .
Address .
Occupation .

Name in full of third trustee .
Address .
Occupation .

[*The like as to other trustees, if any.*]

Signatures—

———, Secretary.
———, Trustee.
———, Trustee.
———, Trustee.

Registered office .
Date day of , 18 .

To the Registrar of Friendly Societies,
28, Abingdon Street, London, S.W.

PART VI.

FORMS.

APPENDED TO THE TREASURY REGULATIONS

MADE UNDER THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1893.

These forms are closely modelled on those in force under the Friendly Societies Acts (pp. 502, 551), and in many cases differ only by the heading and the reference to the Act. It seems unnecessary, therefore, to set them out at length except in a few instances, and for the remainder it seems sufficient to refer to the corresponding forms under the Friendly Societies Acts, taking note of any variations in substance.

NOTE.—Where a provision is contained in more than one rule a reference should be made to each.

FORM A.—Reg. 1. p. 375.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1893.

Application to Register a Society.

Name of society, , Limited.

To the Registrar of Friendly Societies.

Application to register a society under the above-mentioned Act, under the name of , Limited, is made by the eight persons whose names are subscribed at the foot hereof.

1. The object, name, and registered office of the society are provided for in rule No. [*state number*].

2. The terms of admission of members, including any society or company investing funds in the society under the provisions of the Act, are provided for in rule No. [*state number*].

3. The mode of holding meetings and right of voting, and the manner of making, altering or rescinding rules, are provided for in rule No. [*state number*].

4. The appointment and removal of a committee of management (by the name of), of managers or other officers, and their respective powers and remuneration, are provided for in rule No. [*state number*].

5. The determination of the amount of interest, not exceeding 200*l.* sterling, in the shares of the society, which any member other than a registered society may hold, is provided for in rule No. [*state number*].

6. The determination whether the society may contract loans or receive money on deposit subject to the provisions of the Act from members or others, and if so under what conditions, on what security, and to what limits of amount, is provided for in rule No. [*state number*].

7. The determination whether the shares or any of them shall be transferable, and the form of transfer and registration of the shares, and the consent of the committee thereto, and the determination whether the shares or any of them shall be withdrawable and the mode of withdrawal, and the payment of the balance due thereon on withdrawing from the society, are provided for in rule No. [*state number*].

8. The audit of accounts and the appointment of auditors or a public auditor are provided for in rule No. [*state number*].

9. The determination whether and how members may withdraw from the society, and the claims of the representatives of deceased members or the trustees of the property of bankrupt members and the payment of nominees, are provided for in rule No. [*state number*].

10. The mode of application of profits is provided for in rule No. [*state number*].

11. The custody and use of the seal of the society are provided for in rule No. [*state number*].

12. The determination whether and by what authority and in what manner any part of the capital may be invested is provided for in rule No. [*state number*].

13. The statutory duties of the society are set forth in rules No. [*state number*] (*a*).

(*a*) Model forms of rules for this purpose may be obtained of the registrar.

With this application are sent two printed copies of the rules, each marked A. and signed by each of the applicants.

Signature of Member.	Residence of Member.
1 ———	———
2 ———	———
3 ———	———
4 ———	———
5 ———	———
6 ———	———
7 ———	———
8 ——— secretary.	

Registered office .
Date day of , 19 .

FORM B.—Reg. 3. p. 384.

Application to Register a Partial Amendment of Rules.

[*Similar to Form B.*, p. 506, *but with the addition of the following:*—]

(d) The fee of 10*s.* [*now* 1*l.*] prescribed by the Treasury Regulations.

FORM C.—Regs. 3, 4. p. 384.

Declaration in support of an Amendment of Rules.

[*The same as Form C.*, p. 507.]

FORM D.—Reg. 4. p. 384.

Application to Register a Complete Amendment of Rules.

Name of society , Limited.
Register No. . [*If the society is registered in Scotland or Ireland, add* Scotland *or* Ireland, *as the case may be.*]

To the Registrar of Friendly Societies.

Application to register a complete amendment of the rules of the , Limited, is made by the person whose name is subscribed at the foot hereof.

[*Clauses* 1—13 *as in Form A.*, p. 555.]

With this application are sent—

(a) A printed copy of the registered rules, marked A.

(b) Two printed copies of the new rules proposed by way of complete amendment, each marked P., and signed by the applicant and three members of the society.

(c) A statutory declaration of an officer of the society, that the amendment now submitted for registry has been duly made by the society, and that to the best of his knowledge and belief the same is not contrary to the provisions of the above-mentioned Act in that behalf.

(d) The fee of 1*l.* prescribed by the Treasury Regulations.

Signed ,
Secretary.

Registered office .
Date day of , 19 .

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377. FORM E.—Reg. 5.

Application to record Rules registered in another part of the United Kingdom.

[*The same as Form E.*, p. 509.]

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377. FORM Ea.—Reg. 5.

Application to record Amendments of Rules already recorded.

[*The same as Form F.*, p. 509.]

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377. FORM F.—Reg. 6.

Request to Cancel Registry.

[*The same as Form AI.*, p. 538, *except that clauses* 1 *and* 2 *are as follows:*—]

1. The above-mentioned society desires that its registry under the Industrial and Provident Societies Act may be cancelled on the following ground, viz. [*state the reason for desiring cancelling of registry*], and at a general meeting (*b*) held on the day of , 19 , it was resolved as follows:—

"That the registrar be requested to cancel the registry of this society."

2. This request is made by the society accordingly.

(*b*) If not at a general meeting, state in what manner the request has been determined on.

FORM G.—Reg. 8. p. 380.

Notice before Cancelling or Suspension of Registry.

[*The same as Form AK.* (p. 539), *except that an additional ground for the proposed cancelling may be* "that the number of the members of the society is reduced to less than seven."]

FORM H.—Reg. 9. p. 380.

Cancelling of Registry.

[*The same as Form AL.*, p. 539.]

FORM I.—Reg. 9. p. 380.

Suspension or Renewal of Suspension of Registry.

[*The same as Form AM.*, p. 540.]

FORM J.—Reg. 10. p. 380.

Advertisement of Cancelling or Suspension.

[*Similar to Form AN.*, p. 540.]

FORM K.—Reg. 11. p. 386.

Notice of Change of Registered Office.

[*The same as Form H.*, p. 516.]

FORM L.—Reg. 12. p. 392.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1893.

Application for Inspection of Books.

Name of society , Limited.

Register No. (*c*).

Application to the registrar to appoint an accountant or actuary to inspect the books of the above-mentioned society, and to report thereon is made by the ten persons whose names are subscribed at the foot hereof, being ten members of the society, each of whom has been a member for not less than twelve months immediately preceding the date of the application.

The grounds of the application are as follows:—[*state them*].

(*c*) If the society is registered in Scotland or Ireland, add "Scotland" or "Ireland," as the case may be.

The applicants are prepared to deposit with the registrar the sum of as security for the costs of the proposed inspection.

	Signature of Member.	Residence of Member.
1	———	———
2	———	———
3	———	———
4	———	———
5	———	———
6	———	———
7	———	———
8	———	———
9	———	———
10	———	———

Address to which communications for the applicants are to be sent .

Date , 18 .

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p. 404.

FORM M.—Reg. 14.

Application for Direction to transfer Stock.

[*Similar to Form J.*, p. 518, *including clauses* 1 *and* 2, *and with other necessary modifications.*]

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p. 404.

FORM N.—Reg. 14.

Declaration verifying Statements in an Application for Direction to transfer Stock.

[*Similar to Form K.*, p. 520.]

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p. 405.

FORM O.—Reg. 17.

Direction by the Chief Registrar to transfer Stock.

[*Similar to Form L.*, p. 521.]

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p. 423.

FORM P.—Reg. 18.

Reference of a Dispute.

[*Similar to Form M.*, p. 522.]

FORM Q.—Reg. 20. p. 423.

Notice and Requisition.

[*The same as Form N.*, p. 523.]

FORM R.—Reg. 21. p. 423.

Special Requisition to Witness.

[*Similar to Form O.*, p. 523.]

FORM S.—Reg. 22. p. 424.

Order for Discovery.

[*Similar to Form P.*, p. 524.]

FORM T.—Reg. 23. p. 424.

Order for Recovery of Documents in Scotland.

[*Similar to Form Q.*, p. 525.]

FORM U.—Reg. 23. p. 424.

Order for Recovery of Documents and Examination of Havers in Scotland.

[*Similar to Form R.*, p. 525.]

FORM V.—Reg. 24. p. 423.

Determination and Order.

[*Similar to Form S.*, p. 526.]

FORM W.—Reg. 25. p. 425.

Application under Special Powers of Registrar.

[*The same as Form AD.*, p. 535, *but referring to s.* 50 *of the Industrial and Provident Societies Act, and except that para.* 2 *is as follows:*—]

2. This application is signed by one-tenth of the members [*or* by 100 members *if the whole number exceeds* 1,000].

(*d*) [2a. The society is one registered and doing business in Scotland *or* Ireland exclusively, *as the case may be.*]

(*d*) If this is not the case, a line should be drawn through the words in brackets.

p. 425.

FORM X.—Reg. 25.

Declaration in support of Application under Special Powers of Registrar.

[*The same as Form AE.*, p. 536.]

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p. 426.

FORM Y.—Reg. 27.

Appointment of Inspectors.

[*The same as Form AF.*, p. 536, *but referring to* s. 50 of the Industrial and Provident Societies Act.]

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p. 426.

FORM Z.—Reg. 28.

Notice of Special Meeting to be held by a Registrar's Direction.

[*The same as Form AG.*, p. 537, *but referring to* s. 50 of the Industrial and Provident Societies Act.]

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p. 426.

FORM ZA.—Reg. 29.

Report by Chairman of Special Meeting.

[*The same as Form AH.*, p. 537.]

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p. 427.

FORM AA.—Reg. 30.

Application for Approval of Change of Name and Registry of Special Resolution.

[*The same as Form T.*, p. 527, *but referring to* s. 51 of the Industrial and Provident Societies Act.]

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pp. 427, 428, 429, 430.

FORM AB.—Regs. 30, 31, 32, 33, 34.

Declaration to accompany Application for Registry of a Special Resolution.

[*The same as Form U.*, p. 528. *but referring to* s. 51 of the Industrial and Provident Societies Act, 1893.]

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pp. 428, 429.

FORM AC.—Regs. 31, 34.

Application for Registry of Special Resolution for Amalgamation of Societies.

[*Similar to Form V.*, p. 528, *omitting* clause 2.]

FORM AD.—Regs. 32, 34. pp. 428, 429.

Application for Registry of a Special Resolution for Transfer of Engagements.

[*Similar to Form W.*, p. 530, *omitting* clause 2.]

FORM AE.—Reg. 32. p. 428.

Declaration by Officer of Society accepting Transfer of Engagements.

[*The same as Form X.*, p. 531.]

FORM AF.—Reg. 33. p. 429.

Application for Registry of Special Resolution for Conversion into a Company.

[*Similar to Form AA.*, p. 533.]

FORM AG.—Reg. 34. p. 430.

Declaration by Officer of Company amalgamating or accepting Transfer of Engagements.

[*The same as Form AC.*, p. 534.]

FORM AH.—Reg. 38. p. 441.

Instrument of Dissolution.

[*The same as Form AO.*, p. 541, *omitting* clauses 1 and 6 *and adding to* clause 4 " other than such members."]

FORM AI.—Reg. 38. p. 441.

Declaration to accompany Instrument (or Alteration of Instrument) of Dissolution.

[*Similar to Form AP.*, p. 544.]

FORM AK.—Reg. 39. p. 441.

Acknowledgment of Registry of Instrument of Dissolution.

[*Similar to Form AQ.*, p. 544.]

p. 441. FORM AL.—Reg. 41.

Advertisement of Dissolution by Instrument.

[*The same as Form AR.*, p. 515.]

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p. 441. FORM AP.—Reg. 42.

Award for Distribution of Funds.

[*Similar to Form AS.*, p. 515.]

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p. 442. FORM AY.—Reg. 43.

Notice of Proceeding to set aside Dissolution.

[*The same as Form AX.*, p. 548.]

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p. 442. FORM AZ.—Reg. 43.

Notice of Order to set aside Dissolution.

[*The same as Form AY.*, p. 549.]

PART VII.

MODEL RULES.

(A.) Friendly Societies.

[*Note of the Central Office to model form.*]

1. The following rules contain all the requirements necessary to be set forth in the rules of a friendly society, with the addition of some common forms likely to be of general use, though not essential.

2. So much of the rules as merely embodies statutory or official requirements is printed in ordinary type, and should be copied into every set of rules word for word, as in every case the intention must necessarily be the same, and it is best to adopt the well tried and established forms of expressing that intention.

3. The parts printed in *italics* may be varied and when reproduced in the rules of a society should be printed in ordinary type. The provisions marked (*) may be dispensed with altogether, if the society thinks fit. The marginal references to the form followed by a letter indicate the paragraphs of Forms A and D which deal with the matters contained in the corresponding model rule.

4. In addition, certain matters which have to be provided for, or which are usually found in the rules of a friendly society are indicated by headlines and notes, and the whole has been arranged so as to form a complete code, with the rules relating to similar subjects grouped and following one another in a natural order. Rules that are well arranged are easier to refer to and understand, and it is recommended that the order here given be followed in all cases, except where long-established usage in any particular society renders it desirable for continuity to adopt some other settled arrangement.

5. Societies are at liberty to add such other rules as are necessary to suit their requirements within the limits allowed by law.

6. An index should be added, as a good index helps the members and others to find the provisions they are in search of.

7. These rules are not intended for societies with branches, nor for collecting societies. Such societies require certain other rules, and some of these rules are not appropriate to them.

8. The registrar's duty does not begin until a society has been formed and has passed its rules and presented them for registry in the prescribed manner. The registrar's certificate only certifies that the society is registered. It implies that the rules have been duly passed by the society and that they are in accordance with the Friendly Societies Act, but nothing more. It is no certificate that the contributions are adequate to provide the benefits, nor that the rules are in accordance with the law in general, nor that they are prudent, just, clear, or well drafted, though the registrar often points out defects when they are noticed. The responsibility in these matters rests on the society and its advisers. Therefore they should take great care to have their rules settled in proper form, and above all to see that the scales of contributions are such as have by long experience been proved to be sufficient to provide for the benefits offered, among persons of similar occupation and in similar circumstances, and that there is an adequate contribution for the necessary expenses of management.

9. In all applications for registry of rules the requirements of the Friendly Societies Acts, 1896 to 1924, and of the Treasury Regulations made thereunder must be complied with. In the model rules "the Act" means the Friendly Societies Acts, 1896 to 1924.

10. The rules should be submitted in proof print in book form, duly signed. The size is immaterial provided that it is not larger than foolscap, but there should be an inner margin of not less than one inch.

11. Rules should not be submitted in manuscript, but if it is expected that the rules will require much correction, they may be submitted in the first instance on galley proofs.

12. Where the proposed rules are a copy of or are based upon rules of another society already registered, reference should be given to such other rules by the name and register number of the other society.

13. Rules should not be submitted with manuscript additions or corrections in red ink, as that is the medium used to indicate corrections made in the registry office. If any additions or corrections in handwriting have to be made by the applicants, black or some other colour than red should be used.

14. Extraneous matter, such as lists of officers, prefaces, notices and advertisements, should not appear in the books submitted for registry as the rules of a society.

15. The signatures should appear at the end of all the matter which they are intended to verify, including any tables and forms referred to in the rules.

16. Where a complete amendment of rules is submitted for registration the old certificate of registration should not be printed at the foot of the amended rules. That is the place for the new certificate to be attached by the central office, and a blank space should be left there for this purpose.

17. Where partial amendments have been registered they should not be embodied in a reprint of the rules unless the whole is re-registered as a complete amendment. If the registrar's certificate is reprinted at the foot of such a reprint it conveys the false impression that the rules as a whole are covered by a certificate, which was in fact only granted in respect of parts of the reprint. Neither should the numbering of the rules be altered on reprinting when one or more of the original rules has been struck out by partial amendment.

Documents to be sent to the Registrar.

A. On application for registry of a society:—

(1) One application Form A, properly filled up and signed by seven members and the secretary of the society, with the form attached containing the names and signatures of the secretary and the trustees.

(2) Two duplicate prints of the proposed rules, each signed by the same seven members and the secretary of the society.

(3) If the society is approved under the National Insurance Acts, a print of the rules endorsed for identification by the Minister of Health.

B. On application for registry of a complete amendment of rules of a society already registered:—

(1) One application Form D, properly filled up and signed by the secretary.

(2) One declaration in Form C, or alternatively in Form CI.

The statutory declaration in Form C should be made before a Justice of the Peace or a Commissioner for Oaths by the secretary of the society, and signed by him, and by the magistrate or commissioner.

(3) Two duplicate proofs of the proposed new set of rules, each signed by the same three members and the secretary of the society.

(4) One copy of the present rules.

This should be marked to show which of the rules submitted for registration are copies of the present rules, and which contain new matter, or if it is in any case inconvenient to mark the copy of the present rules, a third copy of the proposed rules may be sent in addition marked as above. The signed copies should not be marked.

(5) In the case of an approved society, a copy of the proposed amendment endorsed for identification by the Minister of Health.

C. On conversion of a branch into a registered society:—

The same documents as on an original registration of a society and in addition a certificate in the prescribed Form G, signed by the chief secretary or other principal officer of the order of which it was a branch, that the former branch has wholly seceded or been expelled from the order.

The former branch must not use the name of the order or any name implying that it is a branch thereof, or its branch number.

TITLE PAGE.

RULES OF THE FRIENDLY SOCIETY.

Registered under the Friendly Societies Acts, 1896 *to* 1924.

Register No. [*Insert name of the county.*]

Registered office .

N.B.—*A marginal reference such as "Form (b)" indicates the paragraph of Forms A and D which requires the matter set out in the particular rule to be provided for.*

In cases of complete amendment only insert at the head of the rules the words—

ALL PREVIOUS RULES RESCINDED.

RULES.

Name and Constitution.

1.—(1) The society is a friendly society. It shall be called the Friendly Society. [*The name must not be the same as that of any existing registered society, nor nearly resembling the same.*] Form (*a*).

*(2) *The society shall consist of an unlimited number of members, and every member shall have an equal voice in all the property and concerns thereof, except as otherwise provided in these rules or by law.*

Registered Office.

2.—(1) The registered office of the society shall be No. Street, , , in the county of . Form (*a*).

*(2) *The registered office shall not be changed, except by resolution of a special meeting of the society.*

(3) In the event of any change in the situation of the registered office, notice of such change shall be sent to the registrar within fourteen days thereafter in the form prescribed by the Treasury Regulations. Form (*a*).

Objects.

3. The objects of the society shall be to provide by the voluntary contributions of the members for the following purposes:—[*The whole of the objects authorised by the Friendly Societies Act, 1896, s. 8, are stated here. Nothing else should be stated in the rules as an "object" of a society. Only those objects should be selected which the particular society undertakes, and variation within the limits of these objects or one or more of them may be made, for example—only part of No. 1 may be undertaken and the relief in old age may begin at a later age than 50.*] Form (*b*).

(1) The relief or maintenance of the members, their husbands, wives, children, fathers, mothers, brothers and sisters, nephews and nieces, and wards being orphans, during

sickness or other infirmity, whether bodily or mental, in old age (being any age after 50), or in widowhood, and for the relief or maintenance of the orphan children of members during their minority.

(2) Insuring money to be paid on the birth of a member's child.

(3) Insuring money to be paid on the death of a member, and for the funeral expenses of the husband, wife, or child of a member, or the widow of a deceased member.

(4) Insuring money to be paid during the period of confined mourning as respects persons of the Jewish persuasion.

(5) The relief or maintenance of members when in distressed circumstances, or when on travel in search of employment, or in case of shipwreck, or loss or damage of or to boats or nets.

(6) The endowment of members or nominees of members at any age.

(7) The insurance against fire, to any amount not exceeding 15*l.*, of the tools or implements of the trade or calling of members.

(8) Guaranteeing the performance of their duties by officers and servants of the society or any branch thereof.

The following short form comprises the benefits most often provided for:—

(1) The relief of members during sickness or other infirmity.

(2) Insuring sums of money to be paid on the death of a member, or for the funeral expenses of a member's wife or widow.

(3) The relief of members in distressed circumstances.

Division of Funds.

[*If the society intends to divide its funds, a rule to that effect should be inserted.*]

Form (*j*). 4. The society is a dividing society. [*Then direct when and how the division is to be made, and add*—]

It shall be the duty of the committee of management to see that all claims upon the society existing at the time of any division of the funds thereof are met and provided for before any such division takes place.

Application of Funds.

*5.—(1) *All moneys received on account of entrance fees, contributions, levies, fines, donations, sale of rules, or otherwise, and interest on investments shall be applied in carrying out the objects of the society, and in paying the expenses of management according to the rules.*

*(2) *Any officer misapplying the funds shall repay the amount misapplied and be excluded without prejudice to his liability to prosecution for such misapplication.*

Investment of Funds.

6.—(1) So much of the funds of the society as may not be wanted for immediate use, or to meet the usual accruing liabilities, shall, with the consent of the committee, or of a majority of the members of the society present and entitled to vote in general meeting, be invested by the trustees of the society in any of the following ways, namely: in the Post-office Savings Bank, or in any savings bank certified under the Trustee Savings Banks Act, 1863, or in the public funds or with the National Debt Commissioners, in the purchase of land, or in the erection or alteration of offices or other buildings thereon, or in any investment in which trustees are for the time being by law authorised to invest trust funds. [*The rule may also provide for investment in any other security specifically mentioned, not being personal security. Such investment must be "upon security" in the strict sense of the words. Investment in shares or unsecured stock, for instance, is not permissible.*] Form (*f*).

(2) *The society may purchase or take on lease in the names of the trustees any land, and may sell, exchange, mortgage, lease, or build upon that land (with power to alter and pull down buildings and again rebuild), and a purchaser, assignee, mortgagee, or tenant shall not be bound to inquire as to the authority for any sale, exchange, mortgage, or lease by the trustees, and the receipt of the trustees shall be a discharge for all moneys arising from or in connection with the sale, exchange, mortgage, or lease.*

(3) *Mortgages or other assurances for securing money to the society may be vacated by a receipt endorsed or annexed, signed by the trustees, and countersigned by the secretary in the form contained in the second schedule to the Act.*

Membership.

7. [*Who may become members—Limits of age—sex—occupation—residence.* Form (*b*)

Adults, females, juveniles. Method of electing members.

Where female or juvenile members are admitted provisions should be inserted regulating the special contributions and benefits, the right, if any, to attend meetings and vote, and liability to or exemption from fines and levies.

In all cases where members under 21 *are admitted, insert the following clause:—A member who is under* 21 *years of age, may, if he is over* 16 *years of age, by himself, or if he is under that age, by his parent or guardian, execute all instruments and give all acquittances necessary to be executed or given under the rules of the society, but shall not be a member of the committee of management or a trustee, manager, or treasurer of the society.*

Conditions in relation to entrance of members.

Honorary members—election and contributions, privileges, disqualifications.]

Contributions and Benefits.

Form (*b*). 8. *Every member of the society* [*other than honorary members*] *shall pay contributions and receive benefits as provided in the table appended to these rules, and such contributions respectively shall be paid into the several funds mentioned in the said table; and all interest arising from these funds shall be added thereto from time to time, and shall not be used for any other purposes than those of the particular fund, except as authorised by the rules.*

[*It is generally convenient that the contributions and benefits should be stated in tabular form at the end of the rules. There should be separate and distinct contributions for each of the different benefits.*]

Management Fund.

Form (*b*). 9.—(1) *The necessary expenses of management of the society shall be provided for by the contribution in that behalf stated in the table appended to these rules.*

(2) *Should the amount expended in management exceed the income of the management fund, a levy shall be made upon all members to make up such deficiency.*

[*State here the manner in which the levy is to be assessed on the members, and how it is to be enforced.*]

[*There should be a separate and distinct contribution for the expenses of management.*]

Arrears.

Form (*b*). 10. [*Penalties and forfeitures relating to contributions.*]

Benefits.

11. [*When a member is to be first entitled to benefits, and any general conditions as to receipt of benefits.*] Form (*b*).

Medical Relief.

12. [*If medical benefit is to be provided, insert here a rule for the purpose.*] Form (*b*).

Sick Benefits.

13. [*Claims, conditions, fines, and penalties.*] Form (*b*).

14. *Accident Benefits.* Form (*b*).

15. *Superannuation Benefits.*

16. *Death and Funeral Benefits.* Form (*b*).

[*A society must not insure or pay on the death of a child under 3, 6, or 10 years of age respectively, any sum of money which exceeds or which, when added to any amount payable on its death by any other society or branch, exceeds 6l., 10l., or 15l. respectively.*]

Certificates of Death.

17. No money shall be paid (except as provided by the Act) upon the death of a member or other person whose death is or ought to be entered in any register of deaths, except upon the production of a certificate of that death under the hand of the registrar of deaths or other person having care of the register of deaths in which that death is or ought to be entered, nor on the death of a child under 10 years of age, except upon the production by the parent or his personal representative of such a certificate of death as is required by the Act, and otherwise in conformity with the provisions of the Act. [*All the words after "entered" should be omitted where children under 10 are not insured.*] Form (*q*).

Nominations.

18.—(1) A member not under the age of 16 years may nominate a person or persons to whom any sum of money, payable by the society on his death, not exceeding 100*l.*, shall be paid at his decease. Form (*q*).

(2) All such nominations shall be made by writing, under the hand of the member, delivered at or sent to the registered office of the society, or in a book kept at such office.

(3) The person or persons so nominated must not be an officer or servant of the society unless that officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator.

(4) A nomination so made may be revoked or varied by any similar document, under the hand of the nominator, delivered, sent or made as aforesaid, but a nomination is not revoked by a subsequent will.

(5) The marriage of a member shall operate as a revocation of any nomination theretofore made by him.

*(6) *Nominations, revocations, and variations may be in the forms appended to these rules.*

(7) The secretary shall keep a book in which he shall record every such nomination, revocation, and variation.

*(8) *The nominating member shall pay 3d. to the management fund for the recording of every such nomination, revocation, or variation.*

Widows.

orm (*b*). *19. *The widow of a deceased member may, upon the payment of to the funeral fund of the society, become and remain a member as long as she continues the said payment for the purpose of insuring the sum of l. at her death.*

It shall be the duty of the secretary to inform every member's widow of this privilege within fourteen days after he receives notice of her husband's death.

20. *Widows and Orphans' Funds.*

21. *Distress Fund.*

22. *Loan Fund.*

[*Loans to members can only be made in accordance with the Friendly Societies Act,* 1896, *ss.* 45 *and* 46.]

23. *Accumulation of Surplus Contributions for Use of Members.*

[*A friendly society cannot undertake the business of a savings bank. Such accumulation is limited by sect.* 42 *of the Friendly Societies Act,* 1896, *to the surplus of a member's contributions which may remain after providing for any insurance in respect of which they are paid.*]

Disqualifications and Forfeitures of Membership.

orm (*b*). 24. [*Crime. Hazardous occupation. Emigration.*]

25. *Voluntary Retirement.*

*26. *Change of Residence.*

Meetings.

27.—(1) *The ordinary general meetings of the society shall be held every at o'clock p.m.* Form (*c*).

(2) *The annual general meeting shall be held on at . [This should be a date falling between 31st December and 31st May, in order that the annual return may be presented.]*

(3) *A special general meeting shall be held whenever the committee of management think expedient, and whenever members so request in writing delivered to the secretary.*

(4) *Seven days' notice of any general meeting, stating the business to be transacted at such meeting, shall be given to every member in writing, left at or posted to his last known address.*

(5) *All general meetings shall be held at the registered office unless the committee of management (either generally or in a particular case) otherwise decide.*

(6) *At all general meetings the chairman, or if he be not present, the vice-chairman, shall preside. Five members shall form a quorum [state any cases in which a larger quorum is to be necessary, for instance, for amendment of rules or removal of an officer.]*

(7) *Every member present (and not disqualified by arrears or otherwise as mentioned in these rules) shall have one vote, and when the votes are equal the then presiding officer shall have an additional or casting vote.*

[If desired, insert provisions as to half-yearly or other general meetings, time of closing, adjournment, order of proceedings and of debate, method of voting and poll, proxies, and fines and penalties in connection with meetings.]

Anniversary.

*28. *The anniversary of this society may be held in the month of in each year. No part of the expenses of the anniversary shall come out of any of the funds. Attendance shall be voluntary.*

Officers.

29.—(1) *The society shall have the following officers, who shall form the committee of management:—* Form (*d*).

Three trustees, a chairman, a vice-chairman, a treasurer, a secretary, and committeemen. [A society may have what-

ever number of trustees it thinks fit, but three is the most satisfactory number. Insert number of committeemen.]

(2) *All the officers shall be over* 21 *years of age. A member shall not be nominated for office who is three months in arrears with his contributions. The same person shall not be secretary or treasurer and a trustee of the society.*

(3) *The trustees, treasurer and secretary shall hold office during the pleasure of the society. All the other officers shall continue in office until the next annual general meeting, and at every such meeting the said other officers shall be elected by a majority of the members present and entitled to vote, or on failure of such election those last appointed shall continue in office.*

*(4) *In case any officer (other than a trustee) shall die, resign, be removed, or become unfit or incapable to act, the committee may at any time appoint a person to fill the vacancy until the next annual general meeting, unless the vacancy is previously filled at a special general meeting.*

(5) In the event of any trustee dying, resigning, or being removed from office, another shall be elected by a majority of the members present and entitled to vote at the annual general meeting or at a special general meeting to supply the vacancy. Every resolution appointing a trustee shall be entered on the minutes of the meeting at which he is appointed.

Form (*d*). (6) A copy of such resolution, signed by such trustees, shall be forwarded within fourteen days, by the secretary, to the registrar in the form prescribed by the Treasury Regulations.

(7) *Any officer may be removed by resolution of a special general meeting.*

(8) *Every officer or servant having the receipt or charge of money shall, before taking upon himself the execution of his office or service, give security to the trustees in the amount of* *l. through a guarantee society or by a bond in pursuance of the Act.*

(9) *No officer or servant shall at any time hold more than* *l. in hand.*

Trustees.

30.—*(1) *All deeds, documents of title and securities for money shall be held by the trustees, and they may take such measures for the safe custody and preservation thereof at the expense of the society as they shall think fit, and they shall be responsible for the safe custody of all such deeds, documents, and securities as are placed in their hands or under their control, and shall*

produce them for inspection by the auditors when required by them, and whenever else required by a resolution of a general meeting or of the committee.

*(2) *The trustees shall be the persons to sue and be sued on behalf of the society.*

*(3) *If any trustee, being removed from his office, refuse or neglect to assign or transfer any property of the society as a special general meeting may direct, such trustee shall (if he be a member) be expelled, and cease to have any claim on the society without prejudice to any liability to prosecution.*

Treasurer.

31. *The treasurer shall take charge of the funds of the society which are not invested, and pay all demands when ordered to do so by the society, or by the committee of management or by the chairman and secretary for the time being. He shall not pay any money without written authority signed by the chairman and the secretary, or another officer in case of incapacity of the chairman or the secretary. He shall produce all books, documents, property and money of the society in his possession and render a full and clear account at each audit, and whenever required by resolution of the society or of the committee of management or by the trustees. He shall also give up all books, documents, moneys, and property of the society in his possession when required so to do by a resolution of the society, or of the committee of management or by the trustees. For his services he shall receive the sum of l. a year.* Form (*d*).

Secretary.

32. *The secretary shall attend all meetings of the society, and of the committee of management; he shall record correctly the names of the officers, members of the committee of management, trustees, and other members there present, and the minutes of the proceedings, which he shall transcribe into a book to be authenticated by the signature of the chairman as the proceedings of the meeting; he shall receive proposals for admission to the society; he shall, at the close of every meeting, or in case of receipts at other times forthwith, hand over all moneys received by him to the treasurer. He shall produce all books, documents, property and money of the society in his possession, and render a full and clear account at each audit and whenever required by resolution of the society or of the committee of management or by the trustees. He shall also pay over all moneys, and give* Form (*d*).

up all books, documents, and property belonging to the society, when ordered to do so by a resolution thereof or of the committee of management or by the trustees. He shall summon and give due notice of all meetings of the society and of the committee of management and keep the accounts, documents, and papers of the society in such manner and for such purposes as the committee of management may appoint, and shall prepare all returns and other documents required by the Act or the Treasury Regulations and duly forward them to the registrar. The secretary shall on all occasions, in the execution of his office, act under the superintendence, control, and direction of the committee of management. For his services he shall receive the sum of l. a year.

Other Officers.

33. [*Provide in separate rules for the duties of other officers, if it is so desired.*]

Committee of Management.

34. *The committee shall meet on every at the hour of or such other days and hours as may be agreed from time to time. The chairman, or if he be not present, the vice-chairman, shall preside. Any shall form a quorum, and shall have full power to superintend and conduct the business of the society according to the rules thereof, and shall in all things act for and in the name of the society. Every question shall be decided by a majority of votes, and if the votes are equal the chairman shall have a casting vote in addition to his vote as a member. Any three of the committee may call a special meeting thereof, by giving seven clear days' notice in writing to the secretary, but at such special meeting no other business than that specified in the notice shall be taken into consideration.*

[*Provide for the payment of committeemen if so desired.*]

Accounts.

Form (*f*). 35.—(1) The committee of management shall cause the accounts of the society to be kept regularly by the secretary in proper books.

Form (*k*). (2) Separate accounts shall be kept of all moneys received or paid on account of every particular fund or benefit assured by the society, for which a separate contribution is payable, distinct from all moneys received and paid on account of any other

benefit or fund, viz.:—[*The society must select the appropriate funds and add any others which are in operation.*]

Sickness Fund, Death Fund, Old Age Fund, Accident Fund, Travelling Benefit Fund, Distress Relief Fund, Medical Aid Fund, Widows' and Orphans' Fund, Maternity Fund, Endowments Fund, Annuities Fund.

(3) A separate account shall also be kept of the expenses of management of the society, and of all contributions in respect thereof.

Inspection of Books.

36.—(1) The committee of management shall cause the books of the society to be available for the inspection of any member or person having an interest in the funds of the society at all reasonable hours, at the registered office of the society, or at any place where the books are kept, and it shall be the duty of the secretary to produce the same accordingly. *But such member or person shall not, unless he is an officer of the society, or is specially authorised by a resolution of the society to do so, have the right to inspect the loan account of any other member without the written consent of that member.* [*Omit if the society has no loan fund.*] Form (*h*).

(2) It shall be the duty of the committee of management to keep a copy of the last annual balance sheet and of the last quinquennial valuation together with any special report of the auditors, always hung up in a conspicuous place at the registered office of the society. Form (*p*).

Audit.

37. The committee of management shall once at least in every year submit the accounts, and all the deeds, documents of title and securities for money of the society, for audit, either to one of the public auditors appointed under the Act, or to two or more persons appointed for the purpose at a general meeting, and shall lay before the annual general meeting an account and a balance sheet, containing the same particulars as are shown in the annual return. The auditors shall have access to all the books and accounts of the society, shall examine the annual return, and shall verify it with the accounts, vouchers, deeds, documents and securities and shall either sign it as found by them to be correct, duly vouched and in accordance with law, or specially report to the society in what respects they find it incorrect, unvouched, or not in accordance with law. [*The auditors who sign the annual return must examine the accounts for the whole of the year to which it relates.*] Form (*f*).

Annual Return.

Form (*g*). 38.—(1) Every year before the , the secretary of the society shall send to the registrar an annual return, in the form prescribed by the chief registrar of friendly societies, of the receipts and expenditure, funds and effects of the society, up to the 31st December then last, inclusively together with all particulars so prescribed, as audited, showing separately the expenditure in respect of the several objects of the society, together with a copy of any special report of the auditors. [*1st June is the latest date allowed by law, but the earliest practicable date should be inserted.*]

(2) Such return shall state whether the audit has been conducted by a public auditor appointed under the Act and by whom, and if such audit has been conducted by any persons other than a public auditor, shall state the name and address, of every such person and the manner in which, and the authority under which, he was appointed.

Form (*l*). (3) The committee of management shall supply gratuitously to every member or person interested in the funds of the society on his application either a copy of the last annual return, or of a balance sheet or other document duly audited containing the same particulars as to the receipts and expenditure funds and effects of the society as are contained in the annual return.

Valuation.

Form (*m*). 39.—(1) Once at least in every five years the assets and liabilities of the society (including the estimated risks and contributions) shall be valued in manner provided by the Act, by a valuer to be appointed by the society, *unless the registrar with the approval of the Treasury shall dispense therewith.*

[*The words in italics (above) are for the use only of societies the funds of which are not susceptible to valuation. In such cases paragraphs* (2) *and* (3) *should be omitted.*]

(2) It shall be the duty of the valuer, at the cost of the society, to make a report on the condition of the society, and also an abstract of the results of his valuation in the form prescribed by the chief registrar.

(3) On receiving such report it shall be the duty of the committee of management to call forthwith a special meeting of the society, and to lay such report and the abstract of the results of valuation before such meeting. It shall be the duty of the secretary to forward such report and abstract to the registrar,

and to prepare and forward therewith a statement containing such information with respect to the benefits assured and the contributions receivable by the society, and of its funds and effects, debts and credits, as the registrar may require.

Disputes.

40.—(1) If any dispute shall arise between a member or person claiming through a member or under the rules, or any person aggrieved who has ceased to be a member, or any person claiming through such person aggrieved, and the society, or any officer of the society, it shall be *decided by reference to arbitration.* [*The mode of deciding disputes should be stated. It need not necessarily be by arbitration, but may be by reference to justices or otherwise. But one mode only should be provided.*] Form (*i*).

(2) *Five arbitrators shall be elected at a general meeting, none of them being directly or indirectly interested in the funds of the society; and in each case of dispute the names of the arbitrators shall be written on pieces of paper and placed in a box or glass, and the three whose names are first drawn out by the complaining party or by someone appointed by him, shall be the arbitrators to decide on the matter in dispute. In case of a vacancy or vacancies, another arbitrator, or other arbitrators, shall be elected at a general meeting.*

(3) *In this rule the expression "dispute" includes any dispute arising on the question whether a member or person aggrieved is entitled to be or to continue to be a member or to be reinstated as a member, but save as aforesaid, in the case of a person who has ceased to be a member, does not include any dispute other than a dispute on a question between him and the society or an officer thereof which arose whilst he was a member or arises out of his previous relation as a member to the society.*

Applications to the Registrar.

42. One-fifth of the total number of members, or if the number of members is 1,000 or more, then such number of members as is prescribed by the Act, by an application in writing to the chief registrar, signed by them in the forms respectively provided by the Treasury Regulations in that behalf, may apply— Form (*o*).

(*a*) For the appointment of one or more inspectors to examine into and report on the affairs of the society.

(*b*) For the calling of a special meeting of the society.

(*c*) For an investigation into the affairs of the society with a view to the dissolution thereof where the funds are insufficient to meet the existing claims thereon, or the rates of contribution fixed in the rules are insufficient to cover the benefits assured.

Voluntary Dissolution.

Form (*n*). 43. The society may at any time be dissolved by the consent of five-sixths in value of the members, including honorary members, if any, testified by their signatures to an instrument of dissolution in the form prescribed by the Treasury Regulations and also by the written consent of every person for the time being receiving or entitled to receive any relief, annuity or other benefit from the funds, unless the claim of that person is first duly satisfied, or adequate provision made for satisfying such claim.

Notices.

*44. *All summonses and notices shall be deemed to have been duly served if delivered at or sent by post addressed to the last known address of the member or person for whom they are intended.*

Copies of Rules.

Form (*o*). 45. The committee of management shall deliver to every person on demand a copy of the rules on payment of for members, and for non-members. [*The price may be any sum not exceeding* 1*s.*]

Amendment of Rules.

Form (*o*). 46.—(1) No new rule shall be made, nor shall any of the rules herein contained or hereafter to be made be amended or rescinded unless with the consent of a majority of the members present at a general meeting specially called for that purpose. [*The procedure for amending rules may be as desired by the society.*]

(2) No new rule or amendment of rule is valid until registered.

Interpretation.

47. *In these rules, unless the contrary intention appears:—*

(1) *Words denoting the masculine gender shall be deemed to include the feminine.*

(2) *Words in the singular shall include the plural and words in the plural shall include the singular.*

(3) "*The Act*" *means the Friendly Societies Acts,* 1896 *to* 1924, *and any Acts amending or substituted for the same and for the time being in force.*

[*Insert any other definitions required.*]

Appendix.

TABLES OF CONTRIBUTIONS AND BENEFITS.

[*Here insert the tables adopted by the society.*]

FORMS OF NOMINATION, REVOCATION AND VARIATION.

(1)—Nomination.

Friendly Society, registered under the Friendly Societies Acts, 1896 to 1924.

I of in the county of a member of the above-named society, hereby nominate of in the county of as the person to whom any sum of money payable by the society on my decease, not exceeding 100*l.*, shall be paid.

Dated 19 .

Signature.

Witness.

(2)—Revocation.

Friendly Society, registered under the Friendly Societies Acts, 1896 to 1924.

I hereby revoke the nomination made by me on the day of 19 .

Dated 19 .

Signature.

Witness.

(3)—Variation.

Friendly Society, registered under the Friendly Societies Acts, 1896 to 1924.

I hereby vary the nomination made by me on the day of 19 .

[*Here state the variation desired.*]

Dated 19 .

Signature.

Witness.

Index.

[*Insert an index to the rules.*]

(B.) BRANCH RULES.

See note to Model Form A. (p. 565).

The word "lodge" has been used throughout these model rules as it is the term most generally used, but the word "branch" may always be substituted, or "court," "tent," "sub-division," "senate," or any other word habitually used in the particular order, to denote a branch, and "district" or "grand division" can be used for branches of that nature.

For instructions and advice, see p. 565; and as to the documents to be sent to the registrar, see (1) on registry of a branch, pp. 61, 513; (2) on the registry of a complete amendment of rules of a branch already registered, p. 62; (3) on conversion of a registered society into a branch, p. 171; and (4) on registry of a partial amendment, pp. 62, 513.

TITLE PAGE.

RULES OF THE LODGE NO. OF THE DISTRICT OF THE FRIENDLY SOCIETY.

Registered under the Friendly Societies Acts, 1893 and 1908.

Registered office .

In cases of complete amendment only insert at the head of the rules the words—

ALL PREVIOUS RULES RESCINDED.

RULES.

Name and Constitution.

1.—(1) This branch shall be called the Lodge No. of the District of the Friendly Society (herein referred to as "the order").

[*If the branch is not to be in district, words relating to a district should be omitted throughout the rules.*]

*(2) *As Rule* 1 (2), p. 569, *substituting* "lodge" *for* "society."

(3) All the rules of the order and the district, and all amendments thereof, duly registered, shall be binding on the members

of the lodge; and in all cases of inconsistency the rules of the order shall prevail over the rules of the district and the lodge, and the rules of the district over those of the lodge.

(4) In all matters not provided for by the rules of the lodge, or of the district, the lodge shall be under the control of the central body of the order, subject to the rules of the order.

Registered Office.

2. [*As Rule* 2, p. 569, *substituting* "lodge" *for* "society." *In some orders the consent of the district or order or of the executive of the district or order is required to a change of the registered office.*]

Objects.

3. The objects of the lodge shall be to provide by the voluntary contributions of the members for the following purposes, being those or some of those of the order:—

[*See Rule* 3, p. 569. *The objects of a branch can only be those or some of those of the order to which it belongs and only those objects should be stated which the particular branch undertakes, but s.* 8 (1), (2) *of the F. S. A.*, 1908, *is not appropriate for lodge rules, but only for rules of an order or district.*]

Contributions to the Order and District.

4. The lodge shall contribute to the funds of the order and district as required by the rules for the time being of the order and district respectively.

Application of Funds.

*5.—(1) [*As Rule* 5 (1), p. 571, *adding* and in paying the contributions and levies required for the several order and district funds, as provided in the general and district rules.]

*(2) [*As Rule* 5 (2), p. 571.]

Investment of Funds.

6.—(1) [*As Rule* 6, p. 571, *substituting* "lodge" *for* "society" *and inserting if desired in clause* (1) *after* "in general meeting" *the words* "either be handed to the trustees of the district for investment in the manner prescribed by the rules of the district, or . . ."

Membership.

7—10. [*See Rule* 7, p. 571.]

Contributions and Benefits.

11. Every member of the lodge shall pay contributions and receive benefits as provided in the table and scale appended to these rules, such being Table , Scale , in the General Rules; and such contributions respectively shall be paid into the several funds mentioned in the said table; and all interests from the accumulated stock of these funds shall be added thereto from time to time, and shall not be used for any other purposes than those of the particular fund, except as authorised by the rules, and except in cases of appropriation of surplus capital allowed by the executive of the order.

Management Fund.

12. [*As Rule* 9 (2), p. 572, *adding* which shall at the end of the year be added to each member's arrears and form part thereof, and shall be paid within twelve weeks.]

Arrears.

13. *Penalties and forfeitures relating to contributions.*

Benefits.

14. *When first entitled, and any general conditions as to being clear on the books.*

15. *Medical Relief.*

Sick Benefits.

16. [*Claims, conditions, penalties.*]

17. *Accident Benefits.*

18. *Superannuation Benefits.*

19. *Death and Funeral Benefits.*

Certificates of Death.

20. [*As Rule* 17, p. 573.]

Nominations.

21. [*As Rule* 18, p. 573, *substituting* "lodge, district or order" *for* "society."]

*(9) The secretary shall ask every new member to nominate within three calendar months after his admission, and for every neglect so to ask the secretary shall be fined 3*d*.

Widows.

*22. [*As Rule* 19, p. 574, *substituting* "lodge" *for* "society."]

23. *Widows and Orphans' Funds.*

24. *Distress Fund.*

Disqualifications and Forfeitures.

25. *Crime. Taking to hazardous occupation. Emigration.*

26. *Voluntary Retirement.*

*27. *Change of Residence.*

28. *Clearances.*

Meetings.

29. [*As Rule* 27, p. 575, *substituting* "lodge" *for* "society."]

Anniversary.

*30. [*As Rule* 28, p. 575, *substituting* "lodge" *for* "society."]

Government.

31. [*As Rule* 29, p. 575, *substituting* "lodge" *for* "society."]

32—34. [*Provide in separate rules for the duties of each superior officer, in accordance with the practice and common forms of the order.*]

Trustees.

35. [*As Rule* 30, p. 576, *substituting* "lodge" *for* "society."]

Treasurer.

36. [*As Rule* 31, p. 577, *substituting* "lodge" *for* "society."]

Secretary.

37. [*As Rule* 32, p. 577, *substituting* "lodge" *for* "society," *and after the words* "duly forward them" *inserting* "to the secretary of the order or district, to be sent."]

*38. *Medical Officer.*

39. *Sick Visitors, and other Minor Officers.*

40. *Delegates to the District and Order.*

Committee of Management.

41. [*As Rule* 34, p. 578, *substituting* "lodge" *for* "society."]

Funds.

*42. The lodge shall have the following separate funds:—[*naming them. If the funeral fund (or any of the other funds) is purely a district fund that should be so stated, and it should not be described as a fund of the lodge.*]

Books of Account.

43. [*As Rule* 35, p. 578, *substituting* "lodge" *for* "society."]

Inspection of Books.

44. [*As Rule* 36, p. 579, *substituting* "lodge" *for* "society" *and so that the last sentence of clause* (1) *if inserted should run thus:*—"But a member or person shall not unless he is an officer of the order or of the lodge, or is specially authorised by a resolution of the order or lodge to do so, have the right to inspect the loan account of any other member without the written consent of that member."]

Audit.

45. The committee of management shall once at least in every year submit the accounts, together with a general statement of the same and all necessary vouchers up to the 31st December then last, for audit, either to one of the public auditors appointed under the Friendly Societies Act, or to two or more persons appointed as auditors by the members [at the meeting next before each yearly meeting of the lodge, *the auditors may be appointed in any way and at any time the lodge thinks fit in conformity with any directions contained in the rules of the order or district*], and shall lay before every such meeting a balance-sheet, showing the receipts and expenditure, funds and effects of the lodge, together with a statement of the affairs of the lodge, since the last ordinary meeting, and of their then condition. Such auditors shall have access to all the books and accounts of the lodge [*add, if desired,* and shall once at least in every year inspect all the deeds and documents of title and securities for money of the lodge], and shall examine every balance-sheet and annual return of the receipts and expenditure, funds and effects of the lodge, and shall verify the same with the accounts and vouchers

relating thereto, and shall either sign the same as found by them to be correct, duly vouched, and in accordance with law, or shall specially report to the meeting of the lodge before which the same is laid in what respects they find it incorrect, unvouched, or not in accordance with law.

Annual Returns.

46. [*As Rule* 38, p. 580, *substituting* "lodge" *for* "society," *and inserting in clause* (1) *after* "to the registrar" *the words* "through the order." *The date required by the general rules of the order should be inserted.*]

Valuations.

47. [*As Rule* 39, p. 580, *substituting* "lodge" *for* "society."]

Disputes.

48.—(1) If any dispute shall arise between a member or person claiming through a member or under the rules and the lodge, or the committee, or any officer of the lodge, it shall be decided [*State how, in conformity with the rules of the order or district, and, where appeals are provided for, add*]—

(2) *All appeals from such decision shall be brought and heard and decided in the manner prescribed in the general rules of the order.* [*In every case add, as follows*]—

(3) *In this rule "member" includes a person aggrieved who has ceased to be a member, and "dispute" shall have the same meaning as in the Act.*

Applications to the Registrar.

49. [*As Rule* 42, p. 581, *substituting* "lodge" *for* "society," *and inserting after* "the Act," "but with the consent in all cases of the central body of the order."]

Secession.

50. The lodge may secede from the order in the manner prescribed by the general rules of the order.

Voluntary Dissolution.

51. The lodge may at any time be dissolved by the consent of the central body of the order and of five-sixths in value of the members, &c., *as in Rule* 43, p. 582.

Notices.

*52. [*As Rule* 44, *p.* 582.]

Copies of Rules.

53. [*As Rule* 45, p. 582.]

Amendment of Rules.

54. [*As Rule* 46, p. 582. *The procedure for amending rules may be as desired by the branch, but must be in conformity with any directions contained in the rules of the order or district.*]

Interpretation.

55. [*As Rule* 47, *p.* 582, *adding*]—

(4) "The order" means the Friendly Society.

(5) "The district" means the district branch of the order of which this lodge is a branch.

(6) "The general rules" mean the registered rules of the order for the time being in force, including any amendments hereafter made.

(7) "The district rules" mean the registered rules of the district for the time being in force, including any amendments hereafter made.

Appendix and Index to Rules.

[*See* p. 583.]

(C.) CATTLE INSURANCE AND BENEVOLENT SOCIETIES AND WORKING MEN'S CLUBS.

The model rules given for friendly societies (pp. 569—582) are also applicable, with the necessary modifications, to societies of these several classes.

In each case Rule 1 (p. 569) should state the class to which the society belongs and the rules embodying the statutory requirements and applicable to the society may usually be adopted. The following form of Rule 3 (p. 569) may be used:—

Benevolent Society.

"This society is established for the benevolent or charitable purpose of [*stating the whole of the objects*]."

Working men's club.

"This society is established for the purpose of providing for working men the means of social intercourse, mutual helpfulness, mental and moral improvement and rational recreation."

For a benevolent society, in Rule 6 (2) (p. 571) the words "not exceeding one acre in the whole" should be inserted after the word "land" in the third line.

It is desirable that all documents issued by a registered benevolent society should contain after its name the words "registered as a benevolent society under the Friendly Societies Act."

(D.) SPECIALLY AUTHORISED SOCIETIES.

Specially authorised society.

The forms given for a friendly society may be used, with the modifications given below and any other necessary modifications to suit the particular nature of the society.

If the society has any friendly society objects besides those specially authorised, all the obligations imposed by the Act on friendly societies would have to be provided for in the rules. See the model rules for friendly societies, *ante* (pp. 569—583).

Name and Constitution.

1. The society is a specially authorised society. It shall be called, &c. (see p. 569).

Objects.

3. This society is established for the purpose of [*state the objects in terms of the special authority*] pursuant to the special authority of , 18 .

It is not necessary to add a special rule stating the limited application of the Act to the society: in all cases in which the application of the Act is so limited the acknowledgment of registry, which is in Form A2 (p. 506), specifies the provisions of the Act which are and those which are not extended to the society. The specification included in Form A2 is varied for the different authorities. It generally excludes the society from availing itself of the special privileges of the Act, *e.g.*, exemption from stamp duties, priority against the estates of officers, certificates of death at cheap rates, &c. Societies under authority No. 1 which are within the Societies Borrowing Powers Act, 1898, however, are entitled to the first two of the privileges just mentioned.

Partial amendment of Rules as a means for terminating Money Societies where outstanding Loans have to be got in.

Add at the end of rules as a new rule:—

Rule .—It is the desire of the members that the society shall terminate, and it is hereby provided that, notwithstanding any rule to the contrary, no further loans shall be granted, and no further contributions, subscriptions, or deposits received—except in repayment of loans (and payment of management expenses [*this can be left out if desired*]).

The present committee, trustees, treasurer, and secretary shall continue in office until the termination of the society: the following are their names and addresses:—

The above-named officers shall take all necessary steps to secure the repayment of outstanding loans from the borrowers or their sureties, and to realise all other assets.

The trustees shall set off against the amount owing by borrowers any sum such borrowers may have to their credit in the society as investing members.

All moneys received after payment of management expenses and of the claims of creditors shall be distributed among the investing members proportionately to the amounts respectively standing to their credit after deducting therefrom any amounts set off in accordance with the provision hereinbefore contained.

When the committee consider sufficient money has been received a dividend shall be paid out to the members entitled, and subsequent dividends as the committee may think proper.

Subject to the above the existing rules shall continue to apply until all outstanding moneys have been received and paid out or otherwise dealt with, when application shall be made to cancel the certificate of registry under s. 77 of the Friendly Societies Act, 1896.

(E.) INDUSTRIAL AND PROVIDENT SOCIETIES.

These rules embody the provisions which must be inserted in the rules of all industrial and provident societies, and others which may be inserted if a society so desires. The references to the form, in the margin, followed by a number, refer to the paragraphs of Forms A and D (pp. 555, 557), which deal with the matters contained in the respective rules.

The draft rules should be adopted so far as they are applicable, and to them may be added any additional rules which a society may require to give effect to its objects.

A marginal reference such as "Form (1)" indicates the paragraph of Forms A and D which requires provision to be made for the matter set out in the particular rule.

1. The society shall be called "The Limited," and its objects shall be to carry on the industries, businesses, or trades of . [*State the name, which is not to be that of any existing registered society. State shortly in general terms the whole of the objects; but it is not the function of this rule to set forth the means by which the objects are to be attained, nor the powers given to attain them. These should be set forth in subsequent rules.*] Name and objects. Form (1).

2. Its registered office shall be No. Street , in the county of . Registered office. Form (15*b*).

[*As rule* 2 (3), p. 569.]

3. The registered name of the society shall be kept painted or affixed on the outside of every office or place in which the business of the society is carried on, in a conspicuous position, in letters easily legible, and shall be engraven in legible characters on its seal, and shall be mentioned in legible characters in all notices, advertisements, and other official publications of the society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods, purporting to be signed by or on behalf of the society, and in all bills of parcels, invoices, receipts, and letters of credit of the society. Use of name.

4. [State the terms of admission of members, including any society or company investing funds in the society under the provisions of the Act.] Membership. Form (2).

5. Every member, including the signatories to the rules, shall hold at least one share, but no member (other than a registered society under the Industrial and Provident Societies Act, 1893) shall hold an interest exceeding *l.* in the shares of the society. [*The sum mentioned must not exceed* 200*l. but it may be less.*] Form (5).

6. [Determine value of shares and as to payment on shares, whether in cash, by transfer of dividends and interest or how otherwise, and whether they shall be transferable or withdrawable, and provide for forms of transfer and registration of the shares and for the consent of the committee thereto, or for the mode of withdrawal of shares, and the payment of the balance Capital. Form (7).

due thereon on withdrawing from the society, and for forfeiture of shares on non-payment of calls.]

Borrowing powers. Form (6).

7. [Determine whether the society may contract loans or receive money on deposit subject to the provisions of the Act, from members or others; and if so, under what conditions, on what security, and to what limits of amount.]

Meetings. Form (3).

8. [Provide for the mode of holding meetings and scale and right of voting.]

Committee and officers. Form (4).

9. [Provide for the appointment and removal of a committee of management, by whatever name, of managers or other officers, and their respective powers and remuneration.]

Audit. Form (15*c*).

10. The committee of management shall once at least in every year submit the accounts of the society together with the annual return up to the 31st December then last, for audit to one or more of the public auditors appointed under the Industrial and Provident Societies Act, 1893, who shall not hold any other office in connection with the society. Such auditor or auditors shall have access to all the books, deeds, documents, and accounts of the society, and shall examine the accounts and the annual return of the society, and shall verify the same with the books, deeds, documents, accounts and vouchers relating thereto, and shall either sign the same as found by him or them to be correct, duly vouched, and in accordance with law, or shall specially report to the society in what respect the same are found incorrect, unvouched, or not in accordance with law. [*If the accounts and annual return as submitted are made up to any other date than the* 31*st December, such date must be not more than four months before or one month after the* 31*st December* (*see Rule* 13).]

The committee of management shall lay before the annual meeting the accounts and annual return as audited as aforesaid, and any report of the auditor or auditors.

Form (15*c*).

11. The society shall keep a copy of the last balance sheet for the time being, together with the report of the auditor or auditors always hung up in a conspicuous place at its registered office.

Form (15*g*).

[*If the society carries on the business of banking, add:*—The society shall also, on the first Mondays in February and August in each year, write out and keep conspicuously hung up in the registered office, and every other office or place of business belonging to it where the business of banking is carried on, a statement in the form in the third schedule to the Industrial and Provident Societies Act, 1893, or as near thereto as circumstances admit.]

Inspection of books. Form (15*e*).

12. Any member or person having an interest in the funds of the society shall be allowed to inspect his own account and the

books containing the names of the members at all reasonable hours at the registered office of the society or at any place where the same are kept subject to such regulations as to the time or manner of such inspection as may be made from time to time by the general meetings of the society.

[*The society may, if it so desires, further provide for the inspection of any other of its books under such conditions as it may desire to impose, but so that no person unless an officer of the society or specially authorised by a resolution thereof shall have the right to inspect the loan or deposit account of any other member without his written consent.*] Form (16*a*).

13. Every year not later than the 31st March the secretary shall send to the registrar the annual return, in the form prescribed by the chief registrar of friendly societies, as required by the Industrial and Provident Societies Act, 1893, of the receipts and expenditure, funds and effects of the society. The annual return shall be made up to the date of the society's last published balance-sheet, provided that the date is not more than four months before or one month after the 31st December then last, or otherwise to the 31st day of December inclusive, as audited and laid before the annual meeting, showing separately the expenditure in respect of the several objects of the society. The secretary shall send to the registrar together with the annual return a copy of any report of the auditors, and a copy of each balance-sheet made during the period included in the return. Annual returns. Form (15*d*).

Such return shall state that the audit has been conducted by a public auditor or auditors appointed under the Industrial and Provident Societies Act, 1893, and by whom, and shall state the manner in which and the authority under which he is or they are appointed.

14. It shall be the duty of the committee of management to provide the secretary with a sufficient number of copies of the annual return for supplying gratuitously every member or person interested in the funds of the society on his application, with a copy of the last annual return of the society for the time being; and it shall be the duty of the secretary to supply such gratuitous copies on application accordingly. Form (15*d*).

15. The secretary shall, once at least in every three years, make out and send to the registrar, together with the annual return for the year, a special return signed by the auditor or auditors, showing the holding of each person in the society (whether in shares or loans) at the date to which the annual return is made out: Triennial returns of shareholders. Form (15*f*).

Provided that where such persons are in the list of members kept by the society distinguished by numbers it shall be sufficient if they are distinguished in the special return by such numbers, and in that case it shall not be necessary to specify their names.

Withdrawal. Form (8).

16. [Determine whether and how members may withdraw from the society.]

Nominations. Form (8).

17.—(1) Every member of the society not being under the age of 16 years may, by writing under his hand delivered at or sent to the registered office of the society during the lifetime of such member or made in any book kept thereat, nominate any person or persons to or among whom there shall be transferred at his decease such property in the society as may be his at the time of his decease (whether in shares, loans, or deposits, or otherwise), or so much thereof as is specified in such nomination, if the nomination does not comprise the whole. If on the death of the nominator the amount of his property in the society comprised in the nomination exceeds one hundred pounds the nomination shall be valid to the extent of the sum of one hundred pounds, but not further or otherwise:

Provided that a person so nominated shall not be an officer or servant of the society unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator.

(2) A nomination so made may be revoked or varied by a subsequent nomination signed and delivered or sent or made as aforesaid, or by any similar document in the nature of a revocation or variation under the hand of the nominator so delivered, sent, or made as aforesaid, but shall not be revocable or variable by the will of the nominator or by any codicil thereto.

(3) The society shall keep a book wherein the names of all persons so nominated and all revocations or variations (if any) of such nominations shall be recorded, and the property comprised in any such nomination to an amount not exceeding one hundred pounds shall be payable or transferable to the nominee although the rules of the society declare the shares not to be transferable.

(4) The marriage of a member of the society shall operate as a revocation of any nomination made by him before such marriage, provided that in the event of an officer of the society having transferred any property of a member to a nominee, in ignorance of a marriage contracted subsequent to the date of the nomination, the receipt of the nominee shall be a valid discharge to the society, and the society shall be under no liability to any other person claiming such property.

The society may add, if it so desires:—

(5) *Nominations and revocations or variations thereof may be in the forms respectively appended to these rules.*

(6) *The member shall pay for recording every nomination, or any revocation or variation of a nomination d.; and one fee only shall be charged for the entry of all the names in any nomination, revocation or variation if more than one. [The sum charged must not exceed 3d.]* Form (16*b*).

18.—(1) On receiving satisfactory proof of the death of a nominator, the committee of the society shall, subject to the limitation on amount hereinbefore mentioned, either transfer the property comprised in the nomination in manner directed by the nomination, or pay to every person entitled thereunder the full value of the property given to him, unless the shares comprised in the nomination, if transferred as directed by the nominator, would raise the share capital of any nominee to a sum exceeding two hundred pounds, in which case they shall pay him the value of such excess. Proceedings on the death of a member. Form (8).

(2) Where a nominee who is nominated under the provisions of the Industrial and Provident Societies (Amendment) Act, 1913, is under 16 years of age, the society may pay the sum nominated to either parent, or to a guardian of the nominee, or to any other person of full age who will undertake to hold the same on trust for the nominee or to apply the same for his benefit and whom the society may think a fit and proper person for the purpose, and the receipt of such parent, guardian, or other person shall be a sufficient discharge to the society for all moneys so paid.

(3) If any member entitled to property in the society in respect of shares, loans, or deposits, not exceeding in the whole, at his death, 100*l.*, dies intestate without having made any nomination thereof then subsisting, the committee may, without letters of administration, distribute the same among such persons as appear to them, on such evidence as they deem satisfactory, to be entitled by law to receive the same.

If any such member is illegitimate, and leaves no widow, widower, or issue, the committee shall deal with his property in the society as the Treasury shall direct.

(4) *If any member entitled to property in the society not exceeding* 100*l. dies leaving a will, and without having disposed of the whole thereof by any nomination then subsisting, or if any member entitled to property in the society exceeding* 100*l. dies such property or the excess not disposed of by nomination shall be transferable or payable only to his executors or adminis-*

trators, subject as aforesaid. [*This statement of the ordinary law may be usefully inserted for the sake of completeness.*]

Death duties. Form (8).

19.—(1) If the principal value of the estate, in respect of which estate duty is payable, of any deceased member of the society exceeds one hundred pounds, any property or money to be transferred or paid as aforesaid, without probate or administration, shall be liable to estate duty as part of the amount on which that duty is charged; and the committee of the society, before making any such transfer or payment, may require a statutory declaration by the claimant or one of the claimants that such principal value, including the property or money in question, does not, after deduction of debts and funeral expenses, exceed one hundred pounds.

(2) If the principal value of the property or money to be so transferred or paid exceeds eighty pounds the committee of the society shall, before making any transfer or payment to any person other than the legal personal representative of the deceased member, require production of a certificate from the commissioners of inland revenue of the payment of the estate duty, and a duly stamped receipt for the succession or legacy duty payable in respect of the property or money so transferred or paid, or a certificate that no estate, succession or legacy duty is payable thereon.

Insane or lunatic member. Form (8).

20. If a member or person claiming through a member becomes insane, and no committee of his estate or trustee of his property has been duly appointed, the society (acting through its committee) may, when it is proved to the satisfaction of the committee of the society that it is just and expedient so to do, pay the amount of the shares, loans and deposits belonging to such member, to any person whom they shall judge proper to receive the same on his behalf, whose receipt shall be a good discharge to the society for any money so paid.

Payment to persons apparently entitled. Form (8).

21. All payments or transfers made by the committee, under the above provisions with respect to payments or transfers to or on behalf of a deceased or insane member, to any person who at the time appears to the committee to be entitled thereunder shall be valid and effectual against any demand made upon the committee or society by any other person.

Bankruptcy of members. Form (8).

22. If any member becomes bankrupt, his property in the society shall be transferable or payable to the trustees of his property.

Application of profits. Form (9).

23. [State the mode of application of profits.]

Seal. Form (10).

24. [Provide for seal —with name engraved—and for its custody and use.]

25. [Determine whether and by what authority and in what manner any part of the capital may be invested, and whether any part of the capital is forbidden to be invested in or upon any security or in any shares provided by s. 38 of the Industrial and Provident Societies Act, 1893.] Investment. Form (11).

26. Any ten members of the society each of whom has been a member of the society for not less than twelve months immediately preceding the date of the application may apply to the registrar in the form prescribed by the Treasury Regulations to appoint an accountant or actuary to inspect the books of the society and to report thereon, pursuant to s. 18 of the Industrial and Provident Societies Act, 1893. Statutory applications to the registrar. Form (12).

27. It shall be the right of one-tenth of the whole number of members, or if the number of members shall at any time exceed 1,000, it shall be the right of 100 members, by an application in writing to the chief registrar, signed by them in the forms respectively prescribed by the Treasury Regulations:— Form (13).

(a) To apply for the appointment of an inspector or inspectors to examine into the affairs of the society and to report thereon; or

(b) To apply for the calling of a special meeting of the society.

28. The society may at any time be dissolved by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution in the form provided by the Treasury Regulations, or by winding-up in manner provided by the Industrial and Provident Societies Acts. Dissolution. Form (14).

29. It shall be the duty of the committee of management to provide the secretary with a sufficient number of copies of the rules, to enable him to deliver to any person on demand a copy of such rules on payment of a sum not exceeding for non-members, and *d.* for members, and the duty of the secretary to deliver such copies accordingly. [*The sum or sums inserted must not exceed* 1*s. in each case.*] Copies of rules. Form (15*a*).

30. [Provide how rules are to be made, amended, or rescinded, and state "No amendment of rules is valid until registered."] Amendment of rules. Form (3).

[*A society may also, if it desires, in addition to other things, provide for all or any of the matters mentioned below:—*

31. [*Exclude persons between* 16 *and* 21 *years of age from membership* (*see s.* 32 *of the Industrial and Provident Societies Act,* 1893).] Form (16*c*).

32. [*Exclude the society from the power of holding or dealing with land* (*see s.* 36 *of the Act*).] Form (16*d*).

Form (16*e*). 33. [*Take power to advance money to its members* (*see s.* 40 *of the Act*).]

Form (16*f*). 34. [*Provide a special form of receipt endorsed for the discharge of mortgages* (*see s.* 43 *of the Act*).]

Form (16*g*). 35. [*Require officers having receipt or charge of money to give security* (*see s.* 47 *of the Act*).]

Form (16*h*). 36. [*Provide for the manner in which disputes are to be decided* (*see s.* 49 *of the Act*).]

In the case of a society for the promotion of the creation of small holdings in cases in which it is desired to take advantage of the Small Holdings and Allotments Act, 1908, see p. 371, the following rule may be inserted in the rules:—

Division of Profits.

The payment of per cent. interest at the rate allowed on the share capital shall be the first charge on the net profits arising from the general business of the society [under rule .], including the interest paid to the general account of the society [under rule]. The balance of the net profits shall be allocated as follows:—

(1) At least one-half to the reserve fund until the said fund equals the share capital and afterwards such proportion as the annual meeting shall decide.

(2) Not less than 5 per cent. to the workers employed by the society at the time the division takes place as a bonus proportionate to the wages earned by them respectively during the period to which the division relates.

(3) The remainder to members and non-members who have had dealings with the society as a bonus proportionate to their sales through and purchases from the society during the period to which the division relates, provided that the bonus paid to non-members shall be at a rate not exceeding one-half the rate at which a bonus is paid to members.

Small Holdings and Allotments Separate Account.

A separate account shall be kept by the society of all receipts and expenditure of the society under rule [*i.e.*, the rule dealing with the creation of small holdings and allotments].

The receipts shall be applicable for the following purposes, and for no other purpose, whether during the existence of the society or on dissolution:—

(1) For payment of the expenses of managing land acquired under the said rule, including payment of rent, rates, taxes, and other like outgoings.

(2) For payment of expenses of repairs or improvements from time to time made by the society on such land.

(3) For payment to the general account of the society of interest at the rate of per cent. per annum on all capital expenditure by the society on the acquisition or adaptation of such land.

(4) For recouping capital expenditure by the society on improvement or adaptation of the land within such period as is reasonable, having regard to the probable duration of the improvement or work of adaptation.

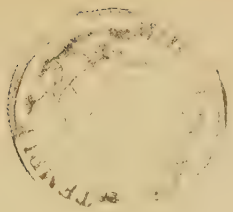
(5) For forming a special reserve fund not exceeding one year's annual value of the land, and so that such reserve fund shall be available for any purpose authorised by this rule, but for no other purpose.

(6) For prizes for the encouragement of the proper cultivation of the land.

(7) For creating or promoting the creation of small holdings or allotments generally.

Nothing in this rule shall be deemed to prohibit an arrangement between the society and a tenant for the repayment or rebatement of part of the rent payable by him to the society.

Nothing in this rule shall prejudice or affect any right or remedy of any creditor of the society.



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